



## HOUSING FINANCE AUTHORITY REGULAR MEETING

**DATE:** Monday, September 23, 2002  
**2:00 P.M**

**PLACE:** 25 West Flagler Street  
Suite 950  
Miami, Florida 33130

### AGENDA

- I. Roll Call**
- II. Approval of Minutes**  
Monday, August 26, 2002
- III. Requests**
  - A)** Approval of Bond Documents-Island Place-HFA-02-18
  - B)** Approval of Bond Documents-2002 Single Family Program-HFA-02-19
  - C)** Inducement Resolutions – 2003 Multifamily Rental Applications
    - i) Alhambra Cove – HFA-02-20
    - ii) Bonita Pointe – HFA-02-21
    - iii) Cameron Creek Apartments – HFA-02-22
    - iv) Emerald Place – HFA-02-23
    - v) Flamingo Pointe – HFA-02-24
    - vi) Mowry Gardens – HFA-02-25
    - vii) Villa Capri – HFA-02-26
  - D)** Legal Services of Greater Miami – Anti Predatory Lending Project
- IV. Updates**
  - A)** Captiva Club Closing
  - B)** Presentation from PackerKiss Securities, Inc.
  - C)** Foundation/Community Outreach
  - D)** Single Family Program – 2001 A & B
- V. Other Business**  
Board Member Resignation

## **Housing Finance Authority Regular Meeting**



**DATE:** August 26, 2002

**PLACE:** 25 West Flagler Street  
Suite 950  
Miami, Florida 33130-1720

**TIME:** 2:00 p.m.

<b>ATTENDANCE:</b>	Don Horn	Hector Brito
	Rey Diaz	Cordella Ingram
	Shalley Jones	Eunice Martin
	Oscar Rivero	Rene Sanchez
	Rey Sanchez	Eli Tourgeman

**STAFF:** Patricia Braynon, Executive Director  
Marianne Edmonds, Co-Financial Advisor  
Larry Flood, Co-Financial Advisor  
Elise Judelle, Co-Bond Counsel  
Manuel Alonso-Poch, Co-Bond Counsel  
David Hope, County Attorney  
Mary Aguiar, Administrative Officer III  
Giraldo Canales, Compliance Specialist  
Ayin Maryoung, Senior Executive Secretary  
Jose Pons, Administrative Assistant  
Amelia Stringer-Gowdy, Special Projects Administrator  
Adela Suarez-Garcia, Trust Account Manager  
Derrick Woodson, Administrative Officer III

**APPEARANCES:** Patt Denihan, Denihan & Associates  
Sonia Little, William R. Hough & Company  
Debbie Berner, William R. Hough & Company  
Robert Chang, Shutts & Bowen

## **AGENDA**

There was a quorum of the board and the meeting was called to order at 2:10 p.m.

### **I. Roll Call**

Ms. Braynon called the roll and informed the board that Mr. Brunson and Mr. Williams will not be in attendance.

### **II. Approval of Minutes**

A MOTION was made by Mr. Sanchez to approve the minutes from the July 22, 2002 meeting. The motion was seconded by Mr. Tourgeman and passed unanimously.

### **III. Requests**

#### **A. Sale of Bella Vista Apartments (Withdrawn)**

#### **B. Sale Of Cutler Meadows Apartments – HFA 02-16**

A MOTION was made by Ms. Martin to approve HFA Resolution 02-16 for the sale of Cutler Meadows Apartments. The motion was seconded by Ms. Ingram and passed unanimously.

#### **C. Sale of Vermillion Apartments – HFA 02-17**

A MOTION was made by Mr. Tourgeman approving HFA Resolution 02-17 for the sale of Vermillion Apartments. The motion was seconded by Mr. Sanchez and passed unanimously.

#### **D. Approve New Purchase Price Limits for Single Family Program**

Ms. Braynon informed the board that a market study was performed to determine the new purchase price limits for the 2002 Single Family Program.

A MOTION was made by Ms. Jones to approve the new purchase price limits. The motion was seconded by Ms. Martin and passed unanimously.

### **IV. Updates**

#### **A. Upcoming 2002 Single Family Program**

Ms. Little informed the board that the new single family program would have a low rate option with a mortgage rate of approximately 5.75 percent; an assisted rate option with a mortgage rate of 6.2 percent with 4 points of assistance, and a Deep Subsidy program

with a mortgage rate of 3.75 percent with 4 points of assistance. Ms. Little also indicated that the new program would provide funds for rehabilitation of existing properties. Ms. Little explained to the board the concept of negative arbitrage and how that would be funded under the new program.

The board discussed the possibility of requesting additional funds from the County to be used in the Deep Subsidy program under the 2002 Single Family program.

A MOTION was made by Mr. Tourgeman to request an additional \$2 million from the County. The motion was seconded by Ms. Martin and passed unanimously.

A MOTION was made by Mr. Brito to request an additional \$2 million in recaptured HOME funds. The motion was seconded by Ms. Jones and passed unanimously.

Ms. Braynon explained that lenders indicated their preference of an assisted rate loan versus a low rate loan since this is what borrowers are requesting from the program.

**B. Marbella Apartments – Community Meetings**

Ms. Braynon updated the board as to the community meetings held by the developers with area residents. She stated that there is still some community opposition to the project and will continue to monitor the situation.

**C. National Homes Trust, Inc. – Community Concerns**

Ms. Braynon informed the board that she received a letter from one of the community leaders with concerns about the development. She stated that the Authority has spoken to her about the Authority's role in the process and that she could contact the Authority at any time with questions or concerns.

Ms. Braynon informed the board that Island Place, a 501(c)(3) corporation that is requesting bond financing, has asked for a waiver of the investment letter for subsequent sales of the bonds. The Financial Advisors have recommended that the waiver be granted.

A MOTION was made to approve the waiver. The motion was seconded by Mr. Sanchez and passed unanimously.

**D. Single Family Program – 2001 A & B**

Ms. Braynon indicated that the information on the Single Family program was included in the board book, including statistical information on the HOME program.

**V. Authority Administration**

**A. Authority Financial Statements**

Ms. Braynon informed the board that the external audit will commence in October.

**B. Non Pooled Investments**

No discussions by the board.

**C. Delinquent Multifamily Accounts**

No discussions by the board.

**D. Multifamily Monthly Report**

No discussions by the board.

**VI. Other Business**

Ms. Braynon reminded the board that they must respond by September 16 if they wish to attend the NALHFA conference.

**RESOLUTION NO. HFA-02-18**

RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY (FLORIDA) AUTHORIZING THE ISSUANCE OF ITS MULTIFAMILY HOUSING REVENUE BONDS, SERIES 2002-9 (ISLAND PLACE APARTMENTS PROJECT) IN A TOTAL AMOUNT NOT TO EXCEED \$6,200,000 FOR THE BENEFIT OF ISLAND PLACE APARTMENTS, LLC, A FLORIDA LIMITED LIABILITY COMPANY; APPROVING THE FORM OF AND, WHERE APPLICABLE, AUTHORIZING THE EXECUTION AND DELIVERY OF THE TRUST INDENTURE, BOND PURCHASE AGREEMENT, LOAN AGREEMENT, LAND USE RESTRICTION AGREEMENT AND OTHER DOCUMENTS IN CONNECTION WITH THE ISSUANCE AND DELIVERY OF SUCH BONDS; AUTHORIZING THE NEGOTIATED SALE OF THE BONDS; AUTHORIZING THE APPOINTMENT OF A TRUSTEE, PAYING AGENT AND REGISTRAR; AND PROVIDING FOR AN EFFECTIVE DATE.

**WHEREAS**, pursuant to the Housing Finance Authority Law, Chapter 159, Part IV, Florida Statutes, as amended (the “Act”), the Board of County Commissioners of Miami-Dade County, Florida (the “Board”), by its Resolution R-1194-78, adopted October 17, 1978, declared the need for a housing finance authority to function in Miami-Dade County, Florida (the “County”) and enacted on December 12, 1978, Ordinance No. 78-79, creating the Housing Finance Authority of Miami-Dade County (Florida) (the “Authority”); and

**WHEREAS**, the Act authorizes the Authority: (a) to make loans to any person, or to purchase loans, including federally insured mortgage loans, in order to provide financing for residential rental developments located within the County, which are to be occupied by persons of moderate, middle or lesser income; (b) to issue its revenue bonds pursuant to the Act, for the purpose of obtaining money to make or to purchase such loans and provide such financing, to establish necessary reserve funds and to pay administrative costs and other costs incurred in connection with the issuance of such bonds; and (c) to pledge all or any part of the revenues, and receipts to be received by the Authority from or in

connection with such loans, and to mortgage, pledge or grant security interests in such loans in order to secure the payment of the principal or redemption price of and interest on such bonds; and

**WHEREAS**, pursuant to Resolution No. HFA 2000-14 adopted July 24, 2000 (the “Intent Resolution”), the Authority expressed its intent to provide financing to fund a mortgage loan (the “Loan”) in an amount not to exceed \$6,200,000 through the issuance of the Authority’s multifamily housing revenue bonds in one or more series, taxable or tax exempt, and to loan the proceeds of such mortgage loan to Greater Miami Neighborhoods, Inc., a Florida not-for-profit corporation, a “charitable organization” as defined in Section 501(c)(3) of the Internal Revenue Code and the sole member of the Borrower (defined below) (the “Member”), for the acquisition and rehabilitation of a 199-unit multifamily residential rental development (the “Project”) located at 1551 N.E. 167<sup>th</sup> Street, North Miami Beach, Miami-Dade County, Florida, and to be occupied by persons of low, moderate or middle income within the meaning of the Act, all for the purpose of assisting such persons of low, moderate or middle income within the County to afford the costs of decent, safe and sanitary housing; and

**WHEREAS**, the amount of the Loan necessary for the Project is \$6,200,000 and the number of apartment units in the Project is to be 199 units; and

**WHEREAS**, the Authority conducted a public hearing on June 19, 2001, notice of which was published on May 31, 2001 in *The Miami Times*, on June 1, 2001 in *The Daily Business Review*, on June 3, 2001 in *The Miami Herald*, and on June 4, 2001 in *The Community Newspaper* for the purpose of considering the issuance of the hereinafter defined Bonds in conformance with the Tax Equity and Fiscal Responsibility Act of 1982 and Section 147(b) of the Internal Revenue Code of 1986, as amended, and such public hearing disclosed no reason why the Bonds should not be issued; and

**WHEREAS**, the Authority has determined to issue, sell and deliver its Multifamily Housing Revenue Bonds, Series 2002-9 (Island Place Apartments Project) (the “Bonds”) for the purpose of funding the Loan; and

**WHEREAS**, the Authority has determined that there exists a shortage of safe and sanitary housing for persons and families of moderate, middle and lesser income within Miami-Dade County, Florida; and

**WHEREAS**, the Authority has determined that a negotiated sale of the Bonds is in the best interest of the Authority.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Finance Authority of Miami-Dade County (Florida), as follows:

**SECTION 1.** The issuance of the Bonds in a total amount not to exceed \$6,200,000 tax-exempt Bonds for the purposes of funding the Loan is hereby authorized.

**SECTION 2.** In order to secure the payment of the principal of, premium, if any, and interest on the Bonds according to their tenor, purpose and effect, and in order to secure the performance and observance of the covenants, agreements and conditions in the Bonds, the execution and delivery of the Master Trust Indenture (the “Master Indenture”) and Supplemental Trust Indenture I, which amends and supplements the Master Indenture in connection with the issuance of the Bonds (the “Supplemental Indenture” and together with the Master Indenture, the “Trust Indenture”), each by and between the Authority and SunTrust Bank, as trustee (the “Trustee”) is authorized and approved. The Trust Indenture shall be executed, by and on behalf of the Authority by the Chairman, Vice Chairman, Secretary or any other officers or members of the Authority and the official seal of the Authority shall be impressed on such Master Indenture, in the form attached to this resolution as **Exhibit “A-1”** and

on such Supplemental Indenture, in the form attached to this resolution as **Exhibit “A-2”**, subject in each case to such changes, insertions and omissions and such filling in of blanks as may be approved and made in such form of Trust Indenture by the officers or members of the Authority executing the same after consultation with the County Attorney’s Office, Financial Advisors to the Authority and Co-Bond Counsel, the execution of the Trust Indenture by such officers or members being conclusive evidence of their approval on behalf of the Authority of any such changes, insertions, omissions or filling in of blanks.

**SECTION 3.** The execution and delivery of the Bond Purchase Agreement in the form of **Exhibit “B”** between the Authority, the Borrower and William R. Hough & Co. (the “Underwriter”) with respect to the sale of Bonds (the “Bond Purchase Agreement”) is approved upon satisfaction of the conditions set forth in this Section.

The Bond Purchase Agreement shall be executed by and on behalf of the Authority by the Chairman, Vice Chairman, Secretary or any other officer or member of the Authority and the official seal of the Authority impressed on such Bond Purchase Agreement and attested by the Secretary or an Assistant Secretary of the Authority, subject to such changes, insertions and omissions and such filling in of blanks as may be approved and made by the officers or members of the Authority executing the Bond Purchase Agreement after consultation with the County Attorney’s Office, the Financial Advisors to the Authority and Co-Bond Counsel, the execution of the Bond Purchase Agreement by such officers or members being conclusive evidence of their approval on behalf of the Authority of any such changes, insertions, omissions, or filling in the blanks; subject, however, to the following parameters with the respect to the Bonds:

- (a) The interest rate on the Bonds shall not exceed 8% per annum;

- (b) The aggregate principal amount of the Bonds shall not exceed \$6,200,000; and
- (c) The maximum maturity of the Bonds shall not be later than 32 years.

**SECTION 4.** The Authority approves the form of the Preliminary Limited Offering Memorandum (the "Preliminary Offering Memorandum") relating to the Bonds in the form attached as **Exhibit "C"** and authorizes the use and distribution by the Underwriter of said Preliminary Offering Memorandum, in the form of such draft and the Final Limited Offering Memorandum (the "Offering Memorandum") relating to the Bonds in substantially the form of the Preliminary Offering Memorandum with such revisions as shall be approved by the Chairman, Vice Chairman, Secretary or other officers or members of the Authority after consultation with the County Attorney's Office, Financial Advisors to the Authority and Co-Bond Counsel. The Chairman, Vice Chairman, Secretary or other officers or members of the Authority are authorized to deem the Preliminary Offering Memorandum final on behalf of the Authority, as required by Rule 15c2-12 of the Securities Exchange Commission.

**SECTION 5.** The Authority approves the forms of (i) the Master Loan Agreement between the Authority and Greater Miami Neighborhoods, Inc., the sole member of the Borrower (the "Member"), in the form attached as **Exhibit "D-1"** and Supplemental Loan Agreement I between the Authority and the Borrower, which amends and supplements the Master Loan Agreement in connection with the issuance of the Bonds, in the form attached as **Exhibit "D-2"**; and (ii) the Land Use Restriction Agreement among the Authority, the Trustee and the Borrower in the form attached as **Exhibit "E"**; (collectively, together with the Trust Indenture and the Bond Purchase Agreement, the "Bond Documents"); subject, in each case to such changes, insertions, omissions and such filling in of blanks as may be approved in such form of such document by the Chairman, Vice Chairman, Secretary or

other members or officers of the Authority after consultation with the County Attorney's Office, Financial Advisors to the Authority and Co-Bond Counsel. Such documents, to the extent required to be executed by the Authority, are hereby authorized to be executed and delivered by the Authority and shall be executed by the Chairman, Vice Chairman, Secretary or other members of the Authority and the official seal of the Authority shall be impressed on such documents, the execution of such documents for and on behalf of the Authority by such members or officers being conclusive evidence of their approval of any such changes, insertions, omissions or filling in of blanks. The Authority and each member or officer of the Authority are further authorized to execute and deliver such other documents as shall be necessary in connection with the issuance and delivery of the Bonds after consultation with the County Attorney's Office, Financial Advisors to the Authority and Co-Bond Counsel.

**SECTION 6.** A negotiated sale of the Bonds is in the best interest of the Authority and is found to be necessary on the basis of the following specific findings:

(a) Multifamily housing revenue bonds are traditionally sold on a negotiated sale basis and consequently a competitive sale of the Bonds would in all probability not produce better terms than a negotiated sale particularly in view of the timing of such an offering.

(b) The principal of, premium, if any, and the interest on the Bonds will be payable solely out of the revenues arising from the pledge and assignment of the payments by the Borrower on the Loan, and the other funds and moneys pledged and assigned as part of the Trust Estate (as defined in the Trust Indenture), and therefore the Authority will not be liable for the payment of principal of, redemption premium, if any, and any interest on the Bonds except from moneys held under the Trust Indenture. The Borrower has expressed its unwillingness to undertake the risks and expenses attendant

to a competitive sale of the Bonds.

(c) The nature of the security for the payment of the Bonds requires complex cash flow review and computations of the Project which would be financially impractical for bidders to undertake in a competitive sale context.

(d) Based upon such findings, the Authority approves the negotiated sale of the Bonds to the Underwriter in accordance with the provisions of the Bond Purchase Agreement and Section 3 of this resolution. Prior to executing and delivering the Bond Purchase Agreement, the Authority shall have received disclosure statements from the Underwriter setting forth the information required by Section 218.385, Florida Statutes, as amended.

**SECTION 7.** SunTrust Bank is designated as Trustee for the Bonds and shall also serve as Registrar and Paying Agent under the Trust Indenture for the Bonds.

**SECTION 8.** The Bonds, upon their execution in the form and manner set forth in the Trust Indenture, shall be delivered to the Registrar for authentication and the Registrar is authorized and directed to authenticate and deliver the Bonds to, or on behalf of, the Underwriter, upon payment of the purchase price.

**SECTION 9.** The holding of a public hearing by the Executive Director of the Authority with respect to the proposed issuance of the Bonds in accordance with Section 147(b) of the Internal Revenue Code of 1986, on June 19, 2001 is hereby ratified.

**SECTION 10.** The officers, employees and agents of the Authority are authorized and directed to do all acts and things required by the provisions of the Bonds authorized by this resolution, and by the provisions of the Bond Documents and, if applicable, any additional documents required to be delivered in connection with the issuance and delivery of the Bonds and for the full, punctual and

complete performance of all the terms, covenants, provisions and agreements of the Bonds and the Bond Documents.

**SECTION 11.** In case any one or more of the provisions of this resolution shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this resolution and it shall be construed and enforced as if such illegal or invalid provision had not been contained in this resolution.

**SECTION 12.** The Chairman, Vice Chairman, Secretary and other members or officers of the Authority, the County Attorney and Co-Bond Counsel for the Authority are each designated agents of the Authority in connection with the issuance and delivery of the Bonds, and are authorized and empowered, collectively or individually, after consultation with the County Attorney's Office, Financial Advisors to the Authority and Co-Bond Counsel, to take all actions and steps to execute and deliver any and all instruments, documents or contracts on behalf of the Authority which are necessary or desirable in connection with the execution and delivery of the Bonds and which are not inconsistent with the terms and provisions of this resolution and other actions relating to the Bonds taken by the Authority.

**SECTION 13.** All resolutions of the Authority in conflict with the provisions of this resolution are, to the extent of such conflict, superseded and repealed.

**SECTION 14.** The Authority has no jurisdiction regarding zoning and land use matters and the adoption of this resolution is not intended to express any position or opinion regarding same.

**SECTION 15.** It is found and determined that all formal actions of this Authority concerning and relating to the adoption of this resolution were taken in an open meeting of the members of this Authority and that all deliberations of the members of this Authority and of its committees, if any,

which resulted in such formal action were taken in meetings open to the public, in full compliance with all legal requirements.

**SECTION 16.** This resolution shall become effective immediately upon its adoption.

The roll being called on the question of adoption of this resolution, the final vote is:

AYES:

NAYS:

ABSTENTIONS:

*[Remainder of page intentionally left blank]*

The Presiding Officer declared said resolution adopted and approved in open meeting.

ADOPTED this 23<sup>rd</sup> day of September, 2002.

HOUSING FINANCE AUTHORITY OF  
MIAMI-DADE COUNTY (FLORIDA)

[SEAL]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Attest:

By: \_\_\_\_\_  
Vice Chairman or Secretary/Treasurer

Approved as to form and legal sufficiency.

By: \_\_\_\_\_  
Assistant County Attorney  
for Miami-Dade County

**EXHIBIT “A-1”**

Form of Master Indenture

**EXHIBIT “A-2”**

Form of Supplemental Indenture

## **EXHIBIT “B”**

### **Form of Bond Purchase Agreement**

## **EXHIBIT “C”**

### **Form of Preliminary Limited Offering Memorandum**

**EXHIBIT “D-1”**

Form of Master Loan Agreement

**EXHIBIT “D-2”**

Form of Supplemental Loan Agreement I

## **EXHIBIT “E”**

### Form of Land Use Restriction Agreement

RESOLUTION NO. HFA-2002-19

A RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY (FLORIDA) PROVIDING FOR THE ISSUANCE AND NEGOTIATED SALE OF NOT EXCEEDING \$25,000,000 HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY (FLORIDA) HOME OWNERSHIP MORTGAGE REVENUE BONDS, 2002 SERIES A-1 AND 2002 SERIES A-2, FOR THE PURPOSE OF PROVIDING FOR THE ORIGINATION OR PURCHASE OF CERTAIN MORTGAGE LOANS OR OBLIGATIONS SECURED BY MORTGAGE LOANS MADE TO ELIGIBLE PERSONS OR FAMILIES FINANCING THE PURCHASE OF EXISTING, NEWLY CONSTRUCTED OR SUBSTANTIALLY REHABILITATED HOMES, AND PAYING FOR CERTAIN OTHER COSTS RELATED THERETO AND FOR REFUNDING BONDS PREVIOUSLY ISSUED BY THE AUTHORITY FOR SUCH PURPOSE; DESIGNATING UNDERWRITERS; CONFIRMING THE DESIGNATION OF A QUALIFIED FINANCIAL INSTITUTION TO SERVE AS TRUSTEE FOR THE 2002 BONDS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Legislature of the State of Florida (the "State") enacted the Florida Housing Finance Authority Law, Part VI, Chapter 159, Florida Statutes, as amended (the "Act"), pursuant to which the State has empowered each county in the State to create by ordinance a separate public body corporate and politic to be known as a housing finance authority of the county for the purpose of alleviating a shortage of housing and capital for investment in housing in the area of operation of such housing finance authority; and

WHEREAS, pursuant to the Act, the Board of County Commissioners of Metropolitan Dade County, Florida (the "County Commission"), by Resolution No. R-1194-78, adopted on October 17, 1978, declared the need for a housing finance authority to function in Miami-Dade County, Florida (the "County") and enacted, on December 12, 1978, Ordinance No. 78-89 (the "Ordinance"), creating the Housing Finance Authority of Miami-Dade County (Florida) (the "Authority"); and

WHEREAS, the Authority is authorized to carry out the public purposes described in the Act by issuing its revenue bonds to facilitate the origination of home mortgage loans to persons or families of low, moderate and middle income for homes within the County and by pledging such mortgage loans or certificates backed by revenues from such home mortgage loans as security for payment of the principal of and interest on such revenue bonds, and by entering into any such contracts and other instruments made in connection therewith; and

WHEREAS, the Authority has determined that there exists within the County a shortage of decent, safe and sanitary housing for persons and families of low and moderate income at prices or rentals they can afford and that there further exists within the County a shortage of home mortgage loan funds at affordable interest rates; and

WHEREAS, the Authority has previously adopted and implemented a Home Ownership Mortgage Purchase Program pursuant to a Master Indenture of Trust to assist persons and families of low, moderate and middle income within the County to afford the costs of acquiring and owning decent, safe and sanitary housing (the "Program"); and

WHEREAS, the Authority has determined that in order to alleviate a shortage of housing at prices which persons and families of moderate, middle and low income can afford and a shortage of capital available for investment in such affordable housing, there is a need for both (i) the funds that can be made available from a sale of mortgage loans or of mortgage-backed securities issued by the Government National Mortgage Association ("GNMA") and by the Federal National Mortgage Association ("Fannie Mae") to secure the Authority's Home Ownership Mortgage Revenue Bonds, Various Series (the "Bonds") and a refunding of all or a portion of various series of bonds previously issued by the Authority, from a liquidity advance line obtained by the Authority and (ii) the funds to be made available from a portion of the

proceeds derived from a sale by the Authority of a portion of the Bonds authorized on November 21, 2001, by the terms of Resolution HFA 2001-21 to provide for the origination of mortgage loans to finance the acquisition of owner occupied single family residences within the County; and

WHEREAS, the Authority has determined to refund all or a portion of various outstanding series of bonds previously issued by the Authority from proceeds of the Bonds herein authorized and from a liquidity advance line and to apply such refunding proceeds, together with additional proceeds derived from the issuance of the Bonds to be sold pursuant to this Resolution to advance the goals and objectives of the Program; and

WHEREAS, the Authority, on November 19, 2001, adopted its Resolution No. HFA 2001-21, authorizing the issuance of not to exceed \$100,000,000 of its Bonds in various series and approving in substantial form the documents necessary for issuance of such Bonds; and

WHEREAS, the Authority now desires to authorize the issuance and sale of not to exceed \$25,000,000, 2002 Series A-1 and 2002 Series A-2 of the Bonds; and

WHEREAS, a public hearing with respect to the issuance of the Authority's mortgage revenue bonds, of which the 2002 Bonds are a portion, was held on May 21, 2002 and pursuant to Resolution No. R-597-02 adopted on June 4, 2002, the County Commission approved a plan of finance for purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended, contemplating the issuance by the Authority in one or more series of not to exceed \$150,000,000 in aggregate principal amount of its single family mortgage revenue bonds of which the 2002 Bonds herein authorized are a part.

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY (FLORIDA):

**SECTION 1.** There is hereby authorized and approved to be issued and sold the Authority's Home Ownership Mortgage Revenue Bonds, 2002 Series A-1 and 2002 Series A-2 (the "2002 Bonds"), in the aggregate principal amount of not to exceed \$25,000,000. The 2002 Bonds shall be issued under and secured by the Master Indenture and the Series Supplement applicable to the 2002 Bonds, in the form previously approved by Resolution HFA 2001-21 which by reference are hereby incorporated in this Resolution as if fully set forth herein. The 2002 Bonds shall be designated in 2002 Series A-1 and 2002 Series A-2, shall mature in the amounts and at the times, shall bear interest at the rates, be redeemable at the redemption prices and upon the terms and shall have all of the other characteristics, all as set forth in the Master Indenture, the Series Supplement applicable to the 2002 Bonds and the Bond Purchase Contract for the 2002 Bonds (the "Purchase Contract") substantially in the forms previously approved by and as defined in Resolution HFA 2001-21.

**SECTION 2.** The Authority previously found and determined that due to the complexity of the financing and the Program and the need to coordinate matters among the potential Mortgage Loan originators, the Authority, the Servicer, the Government National Mortgage Association, Fannie Mae and the underwriters of the Bonds from time to time, it is in the best interest of the Authority to negotiate the sale of the Bonds under the Program. The disclosure required by Section 218.385, Florida Statutes, as amended, shall be provided to the Authority, as evidenced by a schedule attached to the Purchase Contract applicable to the 2002 Bonds when executed. The negotiated sale of the 2002 Bonds is hereby approved to William R. Hough & Co., Raymond James & Associates, Inc., First Southwest Company, Seibert, Branford Shank & Co. LLC, RBC Dain Rauscher, and M.R. Beal & Company (collectively, the "Underwriters") at a price not less than 98% of the aggregate principal amount of the 2002 Bonds plus accrued interest

upon substantially the terms and conditions set forth in the applicable Purchase Contract, including payment to the Underwriters of a fee not in excess of 1.5% of the aggregate principal amount of the 2002 Bonds. The 2002 Bonds shall be sold (subject to conditions set forth in the Resolution HFA 2001-21) to the Underwriters in the amount, at the price and upon the final terms set forth in the Purchase Contract as may be approved by the Chairman, Vice Chairman, the Secretary, any Assistant Secretary or other member of the Authority in accordance herewith.

**SECTION 3.** The Authority hereby approves, ratifies and confirms the distribution of Invitations to Originate Mortgage Loans and Offers to Originate Mortgage Loans to lending institutions in connection with the 2002 Bonds in substantially the forms approved in Resolution HFA 2001-21.

**SECTION 4.** Wells Fargo Bank Minnesota, National Association, as successor to Norwest Bank Minnesota, National Association (the "Trustee") is hereby confirmed to serve as Trustee, Bond Registrar and Paying Agent for the 2002 Bonds under the Master Indenture.

**SECTION 5.** All other matters with respect to the sale and delivery of the 2002 Bonds shall be governed by the provisions of Resolution HFA 2001-21.

**SECTION 6.** All prior resolutions, motions and any other action of the Authority inconsistent with the provisions of this Resolution are hereby modified, supplemented and amended to conform with the provisions herein contained and except as otherwise modified, supplemented and amended hereby shall remain in full force and effect.

[Remainder of page intentionally left blank]

**SECTION 7.** This Resolution shall become effective immediately upon its adoption.

The roll being called on the question of adoption of the Resolution, the vote thereon resulted as follows:

AYES:

NAYS:

ABSTENTIONS:

The Presiding Officer declared said Resolution adopted and approved in open meeting.

ADOPTED this 23rd day of September, 2002.

HOUSING FINANCE AUTHORITY  
OF MIAMI-DADE COUNTY

[SEAL]

Attest:

By: \_\_\_\_\_  
Chairman

\_\_\_\_\_  
Assistant Secretary

Approved as to form and legal sufficiency.

\_\_\_\_\_  
Assistant County Attorney

j:\bonds\2002\3549\resolution\s fresco-9-23-2002.doc

## ALHAMBRA COVE APARTMENTS

Location: 1600 NW 119th Street, Miami, FL 33167  
Developer: Alhambra Cove Associates, Ltd. (Cornerstone Development)  
Contact Person: Mara S. Mades (305) 443-8288  
Type of Project: New Construction  
Market: 100% of units for low-income families earning 60% or less of the area median income  
Requested Bond Amount: \$11,730,000  
Total Project Cost: \$20,888,430

<u>No. of Proposed Units</u>		<u>Rent Per Month</u>
48	1 Bedroom	\$503
120	2 Bedroom	\$599
<u>72</u>	3 Bedroom	\$688
240		

### **TEAM:**

Proposed Architect: Mouriz Salazar Architects & Planners  
Proposed Managing Agent: Cornerstone Residential Management, Inc.  
Proposed Contractor: Alliance Construction, Inc.  
Proposed Developer's Attorney: Berman Wolfe Rennert Vogel & Mandler  
Proposed Underwriter: William R. Hough & Co.

### **PROJECTED DEBT SERVICE COVERAGE**

Net Operating Income	\$961,656
Annual Debt Service	836,555
Debt Service Coverage	1.15

### **PROJECTED PER UNIT COST**

Per Unit Cost	87,035
Per Unit Tax Exempt Financing	48,875

### **EXPECTED FINANCING SOURCES**

Application indicates the following sources of funds:

Authority Tax Exempt Bonds	11,730,000
Miami-Dade Ship Funding	1,000,000
Developer Contribution:	1,882,430
Tax Credit Equity	<u>6,276,000</u>
	\$20,888,430

**Credit Enhancement:** HUD guarantee fund, subject to standard due diligence.

**Tax Credit Investor:** Affiliate of Lend Lease Real Estate Investments, Inc.

### **TENANT SERVICES**

1. Amenities – Clubhouse, media center, business center, fitness center, pool with adjoining gazebo, barbecue area and tot lot. All units will have washer/dryer hookups.

**RESOLUTION NO. HFA 02-20**

**RESOLUTION EXPRESSING THE INTENT OF THE HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY (FLORIDA) TO PROCEED WITH THE DEVELOPMENT OF A MULTIFAMILY RENTAL HOUSING PROJECT AND THE FINANCING THEREOF THROUGH THE ISSUANCE OF ITS NOT TO EXCEED \$20,888,430 MULTIFAMILY MORTGAGE REVENUE BONDS FOR THE BENEFIT OF ALHAMBRA COVE ASSOCIATES, LTD.**

WHEREAS, the Housing Finance Authority of Miami-Dade County (Florida) (the “Authority”) has determined that there exists a shortage of safe and sanitary housing for persons and families of low, moderate and middle income, within Miami-Dade County, State of Florida; and

WHEREAS, such shortage will be partially alleviated by the acquisition and construction by a private owner of a multifamily rental housing project to consist of approximately 240 units, to be occupied by persons of low, moderate and middle income located at 1600 NW 119th Street, Miami-Dade County, Florida to be known as Alhambra Cove Apartments (the “Project”); to be owned by Alhambra Cove Associates, Ltd. (the “Owner”); and

WHEREAS, in order to provide financing for the acquisition and construction of the Project, the Authority intends to issue its tax-exempt multifamily mortgage revenue bonds for the benefit of the Owner in the amount currently estimated not to exceed \$20,888,430 (the “Bonds”), and to enter into a Loan or Financing Agreement, a Trust Indenture, a Regulatory Agreement as to Tax-Exemption or Land Use Restriction Agreement and other necessary documents with respect to the Project;

NOW, THEREFORE, BE IT RESOLVED by the members of the Housing Finance Authority of Miami-Dade County (Florida), a lawful quorum of which duly assembled, as follows:

SECTION 1. The Authority hereby expresses its intention to approve at a later date, by appropriate resolution, and upon compliance by the Owner with the Authority's "Guidelines for Tax-Exempt Multifamily Housing Financing" with final approval of the Architectural Design and Review Advisory Committee and with certain other conditions to be described to the Owner by the Authority's staff, the financing of the development of the Project through the issuance of its Bonds and the execution of the necessary documents, including a Trust Indenture, Loan or Financing Agreement and Regulatory Agreement as to Tax-Exemption or Land Use Restriction Agreement; provided, however, such Bonds shall not be issued unless the Bonds, if publicly offered, are rated at least A or better by either Standard & Poor's Corporation or Moody's Investors Service or both, if both rate the Bonds, or, alternatively, the Bonds, if not rated, are sold by private placement to institutional investors.

SECTION 2. This Resolution shall constitute a declaration of the official intent of the Authority, within the contemplation of Section 1.150-2 of the Income Tax Regulations promulgated by the Department of the Treasury, to permit the Owner to use proceeds of the Bonds to reimburse itself for certain acquisition, construction, planning, design, legal or other costs and expenses originally paid by the Owner in connection with the Project with funds other than proceeds of the Bonds prior to the issuance of the Bonds (the "Advanced Funds").

The Owner has represented to the Authority that all of the expenditures initially to be made with the Advanced Funds and then to be reimbursed by the Owner from proceeds of the Bonds will be for costs of a type properly chargeable to the capital account of the Project under general income tax principles, non-recurring working capital expenditures (of a type not customarily payable from current revenues), or costs of issuing the Bonds. Other than any preliminary expenditures for architectural, engineering, surveying, soil testing, costs of issuing

the Bonds or similar purposes that may have been paid more than sixty days prior to the date of this Resolution, no expenditures to be reimbursed have been paid more than sixty days earlier than the date of this Resolution.

SECTION 3. The intent period for the Project shall have a term of six (6) months from the date of adoption of this Resolution (the "Intent Period"). The Intent Period is subject to extension by the Authority upon compliance by the Owner or certain requirements established by the Authority, including, the payment of an additional fee to the Authority and bond counsel at the termination of the Intent Period.

SECTION 4. It is expressly stated and agreed that the adoption of this Resolution is not a guaranty, express or implied, that the Authority shall approve the closing and issue the Bonds for the Project. This Resolution is qualified in its entirety by the provisions of Chapter 159, Part VI, Florida Statutes, or any subsequently enacted or effective Order or legislation concerning a State volume ceiling on multifamily housing bonds. In regard to the State volume ceiling for multifamily housing bonds, the Authority can make no guarantees as to the method by which funds will be allocated to any particular project, including the Project, and to which projects, including the Project, funds will be allocated. The Owner shall hold the Authority and its past, present and future members, officers, staff, attorneys, financial advisors, and employees harmless from any liability or claim based upon the failure of the Authority to close the transaction and issue the Bonds or any other cause of action arising from the adoption of this Resolution, the processing of the financing for the Project, the issuance of the Bonds except for the gross negligence and willful and wanton misconduct of the Authority.

SECTION 5. The Authority has no jurisdiction regarding zoning and land use matters and the adoption of the Resolution is not intended to express any position or opinion regarding same.

SECTION 6. All resolutions and orders or parts thereof, of the Authority, in conflict herewith are, to the extent of such conflict, hereby modified to the extent of such conflict, and this Resolution shall take effect from and after its passage, the public welfare requiring it.

SECTION 7. It is found and determined that all formal actions of this Authority concerning and relating to the adoption of this Resolution were taken in an open meeting of the members of this Authority and that all deliberations of the members of this Authority and of its committees, if any which resulted in such formal action were taken in meetings open to the public, in full compliance with all legal requirements.

The roll being called on the question of adoption of the Resolution, the vote thereon resulted as follows:

AYES:

NAYS:

ABSTENTIONS:

[Remainder of this page intentionally left blank]

The presiding officer declared said Resolution adopted and approved in open meeting.

Adopted this 23th day of September, 2002.

(Seal)

HOUSING FINANCING AUTHORITY OF  
MIAMI-DADE COUNTY (FLORIDA)

Attest:

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Secretary/Treasurer

Approved as to form and  
legal sufficiency by the  
Miami-Dade County Attorney

By: \_\_\_\_\_  
Assistant County Attorney  
for Miami-Dade County, Florida

## **BONITA POINTE APARTMENTS**

Location: Palm Drive and 172nd Avenue, Florida City, FL  
Developer: Cornerstone Bonita Pointe, LLC (General Partner)  
Contact Person: Mara S. Mades (305) 443-8288  
Type of Project: New Construction  
Market: 100% of units for low-income families earning 60% or less of the area median income  
Requested Bond Amount: \$8,300,000  
Total Project Cost: \$14,988,025

<u>No. of Proposed Units</u>		<u>Rent Per Month</u>
36	1 Bedroom	\$503
68	2 Bedroom	\$599
<u>60</u>	3 Bedroom	\$689
164		

### **TEAM:**

Proposed Architect: Mouriz Salazar Architects & Planners  
Proposed Managing Agent: Cornerstone Residential Management, Inc.  
Proposed Contractor: Alliance Construction, Inc.  
Proposed Developer's Attorney: Berman Wolfe Rennert Vogel & Mandler  
Proposed Underwriter: William R. Hough & Co.

### **PROJECTED DEBT SERVICE COVERAGE**

Net Operating Income	\$680,645
Annual Debt Service	591,936
Debt Service Coverage	1.15

### **PROJECTED PER UNIT COST**

Per Unit Cost	91,390
Per Unit Tax Exempt Financing	50,610

### **EXPECTED FINANCING SOURCES**

Application indicates the following sources of funds:

Authority Tax Exempt Bonds	8,300,000
Miami-Dade Ship Funding	1,000,000
Developer Contribution:	889,025
Tax Credit Equity	<u>4,799,000</u>
	\$14,988,025

**Credit Enhancement:** HUD guarantee fund, subject to standard due diligence.

**Tax Credit Investor:** Affiliate of Lend Lease Real Estate Investments, Inc.

### **TENANT SERVICES**

1. Amenities – Clubhouse, media center, business center, fitness center, pool with adjoining gazebo, barbecue area and tot lot. All units will have washer/dryer hookups. All units are wired for cable and high-speed internet access.

## **RESOLUTION NO. HFA 02-21**

### **RESOLUTION EXPRESSING THE INTENT OF THE HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY (FLORIDA) TO PROCEED WITH THE DEVELOPMENT OF A MULTIFAMILY RENTAL HOUSING PROJECT AND THE FINANCING THEREOF THROUGH THE ISSUANCE OF ITS NOT TO EXCEED \$14,988,025 MULTIFAMILY MORTGAGE REVENUE BONDS FOR THE BENEFIT OF BONITA POINTE ASSOCIATES, LTD.**

WHEREAS, the Housing Finance Authority of Miami-Dade County (Florida) (the “Authority”) has determined that there exists a shortage of safe and sanitary housing for persons and families of low, moderate and middle income, within Miami-Dade County, State of Florida; and

WHEREAS, such shortage will be partially alleviated by the acquisition and construction by a private owner of a multifamily rental housing project to consist of approximately 164 units, to be occupied by persons of low, moderate and middle income located at intersection of Palm Drive and 172nd Avenue, Florida City, Miami-Dade County, Florida to be known as Bonita Pointe Apartments (the “Project”); to be owned by Bonita Pointe Associates, Ltd. (the “Owner”); and

WHEREAS, in order to provide financing for the acquisition and construction of the Project, the Authority intends to issue its tax-exempt multifamily mortgage revenue bonds for the benefit of the Owner in the amount currently estimated not to exceed \$14,988,025 (the “Bonds”), and to enter into a Loan or Financing Agreement, a Trust Indenture, a Regulatory Agreement as to Tax-Exemption or Land Use Restriction Agreement and other necessary documents with respect to the Project;

NOW, THEREFORE, BE IT RESOLVED by the members of the Housing Finance Authority of Miami-Dade County (Florida), a lawful quorum of which duly assembled, as follows:

SECTION 1. The Authority hereby expresses its intention to approve at a later date, by appropriate resolution, and upon compliance by the Owner with the Authority's "Guidelines for Tax-Exempt Multifamily Housing Financing" with final approval of the Architectural Design and Review Advisory Committee and with certain other conditions to be described to the Owner by the Authority's staff, the financing of the development of the Project through the issuance of its Bonds and the execution of the necessary documents, including a Trust Indenture, Loan or Financing Agreement and Regulatory Agreement as to Tax-Exemption or Land Use Restriction Agreement; provided, however, such Bonds shall not be issued unless the Bonds, if publicly offered, are rated at least A or better by either Standard & Poor's Corporation or Moody's Investors Service or both, if both rate the Bonds, or, alternatively, the Bonds, if not rated, are sold by private placement to institutional investors.

SECTION 2. This Resolution shall constitute a declaration of the official intent of the Authority, within the contemplation of Section 1.150-2 of the Income Tax Regulations promulgated by the Department of the Treasury, to permit the Owner to use proceeds of the Bonds to reimburse itself for certain acquisition, construction, planning, design, legal or other costs and expenses originally paid by the Owner in connection with the Project with funds other than proceeds of the Bonds prior to the issuance of the Bonds (the "Advanced Funds").

The Owner has represented to the Authority that all of the expenditures initially to be made with the Advanced Funds and then to be reimbursed by the Owner from proceeds of the Bonds will be for costs of a type properly chargeable to the capital account of the Project under

general income tax principles, non-recurring working capital expenditures (of a type not customarily payable from current revenues), or costs of issuing the Bonds. Other than any preliminary expenditures for architectural, engineering, surveying, soil testing, costs of issuing the Bonds or similar purposes that may have been paid more than sixty days prior to the date of this Resolution, no expenditures to be reimbursed have been paid more than sixty days earlier than the date of this Resolution.

SECTION 3. The intent period for the Project shall have a term of six (6) months from the date of adoption of this Resolution (the "Intent Period"). The Intent Period is subject to extension by the Authority upon compliance by the Owner or certain requirements established by the Authority, including, the payment of an additional fee to the Authority and bond counsel at the termination of the Intent Period.

SECTION 4. It is expressly stated and agreed that the adoption of this Resolution is not a guaranty, express or implied, that the Authority shall approve the closing and issue the Bonds for the Project. This Resolution is qualified in its entirety by the provisions of Chapter 159, Part VI, Florida Statutes, or any subsequently enacted or effective Order or legislation concerning a State volume ceiling on multifamily housing bonds. In regard to the State volume ceiling for multifamily housing bonds, the Authority can make no guarantees as to the method by which funds will be allocated to any particular project, including the Project, and to which projects, including the Project, funds will be allocated. The Owner shall hold the Authority and its past, present and future members, officers, staff, attorneys, financial advisors, and employees harmless from any liability or claim based upon the failure of the Authority to close the transaction and issue the Bonds or any other cause of action arising from the adoption of this Resolution, the

processing of the financing for the Project, the issuance of the Bonds except for the gross negligence and willful and wanton misconduct of the Authority.

SECTION 5. The Authority has no jurisdiction regarding zoning and land use matters and the adoption of the Resolution is not intended to express any position or opinion regarding same.

SECTION 6. All resolutions and orders or parts thereof, of the Authority, in conflict herewith are, to the extent of such conflict, hereby modified to the extent of such conflict, and this Resolution shall take effect from and after its passage, the public welfare requiring it.

SECTION 7. It is found and determined that all formal actions of this Authority concerning and relating to the adoption of this Resolution were taken in an open meeting of the members of this Authority and that all deliberations of the members of this Authority and of its committees, if any which resulted in such formal action were taken in meetings open to the public, in full compliance with all legal requirements.

The roll being called on the question of adoption of the Resolution, the vote thereon resulted as follows:

AYES:

NAYS:

ABSTENTIONS:

[Remainder of this page intentionally left blank]

The presiding officer declared said Resolution adopted and approved in open meeting.

Adopted this 23th day of September, 2002.

(Seal)

HOUSING FINANCING AUTHORITY OF  
MIAMI-DADE COUNTY (FLORIDA)

Attest:

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Secretary/Treasurer

Approved as to form and  
legal sufficiency by the  
Miami-Dade County Attorney

By: \_\_\_\_\_  
Assistant County Attorney  
for Miami-Dade County, Florida

## **CAMERON CREEK APARTMENTS, PHASE II**

Location: Intersection of Tower Rd. (192<sup>nd</sup> Ave. & 340<sup>th</sup> St., Florida City FL  
Developer: Cameron Creek II, Inc. (Carlisle Development Group)  
Contact Person: Liz Wong (305) 476-8188, Ext. 29  
Type of Project: New Construction  
Market: 100% of units for low-income families earning 60% or less of the area median income  
Requested Bond Amount: \$8,300,000  
Total Project Cost: \$15,699,896

<u>No. of Proposed Units</u>		<u>Rent Per Month</u>
24	1 Bedroom	\$487
96	2 Bedroom	\$578
<u>80</u>	3 Bedroom	\$657
200		

### **TEAM:**

Proposed Architect: Puig & Martinez Architects  
Proposed Managing Agent: Carlisle Property Management  
Proposed Contractor: Carlisle Construction, LLC  
Proposed Developer's Attorney: Stearns Weaver Miller et. al.  
Proposed Underwriter: Raymond James & Associates

### **PROJECTED DEBT SERVICE COVERAGE**

Net Operating Income	\$735,941
Annual Debt Service	424,771
Debt Service Coverage	1.73

### **PROJECTED PER UNIT COST**

Per Unit Cost	78,499
Per Unit Tax Exempt Financing	41,500

### **EXPECTED FINANCING SOURCES**

Application indicates the following sources of funds:

Authority Tax Exempt Bonds	\$8,300,000
Miami-Dade Ship Funding	1,000,000
Developer Contribution:	2,129,959
Tax Credit Equity	3,939,000
Net Operating Income	266,779
Interest Income	<u>64,158</u>
	\$15,699,896

**Private Placement:** Yes. Either private placement or lower floater.

**Tax Credit Investor:** Alliant Mortgage Company, subject to standard due diligence.

### **TENANT SERVICES**

1. Amenities – Clubhouse, pool, laundry facilities, volleyball court, picnic area, tot lots and gazebo.

## **RESOLUTION NO. HFA 02-22**

### **RESOLUTION EXPRESSING THE INTENT OF THE HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY (FLORIDA) TO PROCEED WITH THE DEVELOPMENT OF A MULTIFAMILY RENTAL HOUSING PROJECT AND THE FINANCING THEREOF THROUGH THE ISSUANCE OF ITS NOT TO EXCEED \$15,699,896 MULTIFAMILY MORTGAGE REVENUE BONDS FOR THE BENEFIT OF CAMERON CREEK II, LTD.**

WHEREAS, the Housing Finance Authority of Miami-Dade County (Florida) (the “Authority”) has determined that there exists a shortage of safe and sanitary housing for persons and families of low, moderate and middle income, within Miami-Dade County, State of Florida; and

WHEREAS, such shortage will be partially alleviated by the acquisition and construction by a private owner of a multifamily rental housing project to consist of approximately 200 units, to be occupied by persons of low, moderate and middle income located at intersection of Tower Road (192 Avenue) and 340th Street, Florida City, Miami-Dade County, Florida to be known as Cameron Creek Apartment, Phase II (the “Project”); to be owned by Cameron Creek II, Ltd. (the “Owner”); and

WHEREAS, in order to provide financing for the acquisition and construction of the Project, the Authority intends to issue its tax-exempt multifamily mortgage revenue bonds for the benefit of the Owner in the amount currently estimated not to exceed \$15,699,896 (the “Bonds”), and to enter into a Loan or Financing Agreement, a Trust Indenture, a Regulatory Agreement as to Tax-Exemption or Land Use Restriction Agreement and other necessary documents with respect to the Project;

NOW, THEREFORE, BE IT RESOLVED by the members of the Housing Finance Authority of Miami-Dade County (Florida), a lawful quorum of which duly assembled, as follows:

SECTION 1. The Authority hereby expresses its intention to approve at a later date, by appropriate resolution, and upon compliance by the Owner with the Authority's "Guidelines for Tax-Exempt Multifamily Housing Financing" with final approval of the Architectural Design and Review Advisory Committee and with certain other conditions to be described to the Owner by the Authority's staff, the financing of the development of the Project through the issuance of its Bonds and the execution of the necessary documents, including a Trust Indenture, Loan or Financing Agreement and Regulatory Agreement as to Tax-Exemption or Land Use Restriction Agreement; provided, however, such Bonds shall not be issued unless the Bonds, if publicly offered, are rated at least A or better by either Standard & Poor's Corporation or Moody's Investors Service or both, if both rate the Bonds, or, alternatively, the Bonds, if not rated, are sold by private placement to institutional investors.

SECTION 2. This Resolution shall constitute a declaration of the official intent of the Authority, within the contemplation of Section 1.150-2 of the Income Tax Regulations promulgated by the Department of the Treasury, to permit the Owner to use proceeds of the Bonds to reimburse itself for certain acquisition, construction, planning, design, legal or other costs and expenses originally paid by the Owner in connection with the Project with funds other than proceeds of the Bonds prior to the issuance of the Bonds (the "Advanced Funds").

The Owner has represented to the Authority that all of the expenditures initially to be made with the Advanced Funds and then to be reimbursed by the Owner from proceeds of the Bonds will be for costs of a type properly chargeable to the capital account of the Project under

general income tax principles, non-recurring working capital expenditures (of a type not customarily payable from current revenues), or costs of issuing the Bonds. Other than any preliminary expenditures for architectural, engineering, surveying, soil testing, costs of issuing the Bonds or similar purposes that may have been paid more than sixty days prior to the date of this Resolution, no expenditures to be reimbursed have been paid more than sixty days earlier than the date of this Resolution.

SECTION 3. The intent period for the Project shall have a term of six (6) months from the date of adoption of this Resolution (the "Intent Period"). The Intent Period is subject to extension by the Authority upon compliance by the Owner or certain requirements established by the Authority, including, the payment of an additional fee to the Authority and bond counsel at the termination of the Intent Period.

SECTION 4. It is expressly stated and agreed that the adoption of this Resolution is not a guaranty, express or implied, that the Authority shall approve the closing and issue the Bonds for the Project. This Resolution is qualified in its entirety by the provisions of Chapter 159, Part VI, Florida Statutes, or any subsequently enacted or effective Order or legislation concerning a State volume ceiling on multifamily housing bonds. In regard to the State volume ceiling for multifamily housing bonds, the Authority can make no guarantees as to the method by which funds will be allocated to any particular project, including the Project, and to which projects, including the Project, funds will be allocated. The Owner shall hold the Authority and its past, present and future members, officers, staff, attorneys, financial advisors, and employees harmless from any liability or claim based upon the failure of the Authority to close the transaction and issue the Bonds or any other cause of action arising from the adoption of this Resolution, the

processing of the financing for the Project, the issuance of the Bonds except for the gross negligence and willful and wanton misconduct of the Authority.

SECTION 5. The Authority has no jurisdiction regarding zoning and land use matters and the adoption of the Resolution is not intended to express any position or opinion regarding same.

SECTION 6. All resolutions and orders or parts thereof, of the Authority, in conflict herewith are, to the extent of such conflict, hereby modified to the extent of such conflict, and this Resolution shall take effect from and after its passage, the public welfare requiring it.

SECTION 7. It is found and determined that all formal actions of this Authority concerning and relating to the adoption of this Resolution were taken in an open meeting of the members of this Authority and that all deliberations of the members of this Authority and of its committees, if any which resulted in such formal action were taken in meetings open to the public, in full compliance with all legal requirements.

The roll being called on the question of adoption of the Resolution, the vote thereon resulted as follows:

AYES:

NAYS:

ABSTENTIONS:

[Remainder of this page intentionally left blank]

The presiding officer declared said Resolution adopted and approved in open meeting.

Adopted this 23th day of September, 2002.

(Seal)

HOUSING FINANCING AUTHORITY OF  
MIAMI-DADE COUNTY (FLORIDA)

Attest:

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Secretary/Treasurer

Approved as to form and  
legal sufficiency by the  
Miami-Dade County Attorney

By: \_\_\_\_\_  
Assistant County Attorney  
for Miami-Dade County, Florida

## EMERALD PLACE APARTMENTS

Location: NW 189th Street and 25th Avenue, unincorporated Miami-Dade Co.  
Developer: CSS Emerald Associates, Ltd. (Guilford Capital – Limited partners)  
Contact Person: Walter Sweeting (305) 661-2070  
Type of Project: New Construction  
Market: Elderly apartments and affordable assisted living facility.  
Requested Bond Amount: \$16,962,984  
Total Project Cost: \$29,822,540

### Number of proposed units

	Lower Income	Market Rate	Total
1 Bedroom Efficiency	70	42	112
1 Bedroom	54	26	80
2 Bedroom	<u>122</u>	<u>70</u>	<u>192</u>
Total	246	138	384

### Anticipated Rent

	Lower Income	Market Rate
1 Bedroom Efficiency	\$421	\$498
1 Bedroom	\$513	\$692
2 Bedroom	\$613	\$855

### TEAM:

Proposed Architect: Rechisholm Architect, Inc.  
Proposed Managing Agent: Florida Housing Corporation  
Proposed Contractor: Summit Contractors, Inc.  
Proposed Developer's Attorney: Holland & Knight  
Proposed Underwriter: William R. Hough & Co.

### PROJECTED DEBT SERVICE COVERAGE

Net Operating Income	1,467,792
Annual Debt Service	1,191,732
Debt Service Coverage	1.23

### PROJECTED PER UNIT COST

Per Unit Cost	77,663
Per Unit Tax Exempt Financing	37,469

### EXPECTED FINANCING SOURCES

Application indicates the following sources of funds:

Authority Tax Exempt Bonds	\$14,388,192
Authority Taxable Bonds	2,574,792
Developer Contribution:	4,083,056
Tax Credit Equity	8,147,472
Transfer from/to operations	<u>629,028</u>
	\$29,822,540

**Credit Enhancement:** FHFC Guarantee Fund (subject to standard due diligence).

**Tax Credit Investor:** Guilford Capital, subject to standard due diligence.

### TENANT SERVICES

1. Amenities – Clubhouse, fitness center, community room and media room, pool, walking paths, public greens and sundeck.

Gross Low Income Rent	1,549,896
Gross Market Rate Rent	1,185,096
Subtotal	2,734,992
Less Operating Expenses	(1,228,800)
Less Replacement Reserves	(38,400)
<b>NOI</b>	<b>\$1,467,792</b>

## **RESOLUTION NO. HFA 02-23**

### **RESOLUTION EXPRESSING THE INTENT OF THE HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY (FLORIDA) TO PROCEED WITH THE DEVELOPMENT OF A MULTIFAMILY RENTAL HOUSING PROJECT AND THE FINANCING THEREOF THROUGH THE ISSUANCE OF ITS NOT TO EXCEED \$29,822,540 MULTIFAMILY MORTGAGE REVENUE BONDS FOR THE BENEFIT OF CSS EMERALD ASSOCIATES, LTD.**

WHEREAS, the Housing Finance Authority of Miami-Dade County (Florida) (the “Authority”) has determined that there exists a shortage of safe and sanitary housing for persons and families of low, moderate and middle income, within Miami-Dade County, State of Florida; and

WHEREAS, such shortage will be partially alleviated by the acquisition and construction by a private owner of a multifamily rental housing project to consist of approximately 384 units, to be occupied by persons of low, moderate and middle income located at intersection of N.W. 189th Street and 25th Avenue, unincorporated Miami-Dade County, Florida to be known as Emerald Place Apartments (the “Project”); to be owned by CSS Emerald Associates, Ltd. (the “Owner”); and

WHEREAS, in order to provide financing for the acquisition and construction of the Project, the Authority intends to issue its tax-exempt multifamily mortgage revenue bonds for the benefit of the Owner in the amount currently estimated not to exceed \$29,822,540 (the “Bonds”), and to enter into a Loan or Financing Agreement, a Trust Indenture, a Regulatory Agreement as to Tax-Exemption or Land Use Restriction Agreement and other necessary documents with respect to the Project;

NOW, THEREFORE, BE IT RESOLVED by the members of the Housing Finance Authority of Miami-Dade County (Florida), a lawful quorum of which duly assembled, as follows:

SECTION 1. The Authority hereby expresses its intention to approve at a later date, by appropriate resolution, and upon compliance by the Owner with the Authority's "Guidelines for Tax-Exempt Multifamily Housing Financing" with final approval of the Architectural Design and Review Advisory Committee and with certain other conditions to be described to the Owner by the Authority's staff, the financing of the development of the Project through the issuance of its Bonds and the execution of the necessary documents, including a Trust Indenture, Loan or Financing Agreement and Regulatory Agreement as to Tax-Exemption or Land Use Restriction Agreement; provided, however, such Bonds shall not be issued unless the Bonds, if publicly offered, are rated at least A or better by either Standard & Poor's Corporation or Moody's Investors Service or both, if both rate the Bonds, or, alternatively, the Bonds, if not rated, are sold by private placement to institutional investors.

SECTION 2. This Resolution shall constitute a declaration of the official intent of the Authority, within the contemplation of Section 1.150-2 of the Income Tax Regulations promulgated by the Department of the Treasury, to permit the Owner to use proceeds of the Bonds to reimburse itself for certain acquisition, construction, planning, design, legal or other costs and expenses originally paid by the Owner in connection with the Project with funds other than proceeds of the Bonds prior to the issuance of the Bonds (the "Advanced Funds").

The Owner has represented to the Authority that all of the expenditures initially to be made with the Advanced Funds and then to be reimbursed by the Owner from proceeds of the Bonds will be for costs of a type properly chargeable to the capital account of the Project under

general income tax principles, non-recurring working capital expenditures (of a type not customarily payable from current revenues), or costs of issuing the Bonds. Other than any preliminary expenditures for architectural, engineering, surveying, soil testing, costs of issuing the Bonds or similar purposes that may have been paid more than sixty days prior to the date of this Resolution, no expenditures to be reimbursed have been paid more than sixty days earlier than the date of this Resolution.

SECTION 3. The intent period for the Project shall have a term of six (6) months from the date of adoption of this Resolution (the "Intent Period"). The Intent Period is subject to extension by the Authority upon compliance by the Owner or certain requirements established by the Authority, including, the payment of an additional fee to the Authority and bond counsel at the termination of the Intent Period.

SECTION 4. It is expressly stated and agreed that the adoption of this Resolution is not a guaranty, express or implied, that the Authority shall approve the closing and issue the Bonds for the Project. This Resolution is qualified in its entirety by the provisions of Chapter 159, Part VI, Florida Statutes, or any subsequently enacted or effective Order or legislation concerning a State volume ceiling on multifamily housing bonds. In regard to the State volume ceiling for multifamily housing bonds, the Authority can make no guarantees as to the method by which funds will be allocated to any particular project, including the Project, and to which projects, including the Project, funds will be allocated. The Owner shall hold the Authority and its past, present and future members, officers, staff, attorneys, financial advisors, and employees harmless from any liability or claim based upon the failure of the Authority to close the transaction and issue the Bonds or any other cause of action arising from the adoption of this Resolution, the

processing of the financing for the Project, the issuance of the Bonds except for the gross negligence and willful and wanton misconduct of the Authority.

SECTION 5. The Authority has no jurisdiction regarding zoning and land use matters and the adoption of the Resolution is not intended to express any position or opinion regarding same.

SECTION 6. All resolutions and orders or parts thereof, of the Authority, in conflict herewith are, to the extent of such conflict, hereby modified to the extent of such conflict, and this Resolution shall take effect from and after its passage, the public welfare requiring it.

SECTION 7. It is found and determined that all formal actions of this Authority concerning and relating to the adoption of this Resolution were taken in an open meeting of the members of this Authority and that all deliberations of the members of this Authority and of its committees, if any which resulted in such formal action were taken in meetings open to the public, in full compliance with all legal requirements.

The roll being called on the question of adoption of the Resolution, the vote thereon resulted as follows:

AYES:

NAYS:

ABSTENTIONS:

[Remainder of this page intentionally left blank]

The presiding officer declared said Resolution adopted and approved in open meeting.

Adopted this 23th day of September, 2002.

(Seal)

HOUSING FINANCING AUTHORITY OF  
MIAMI-DADE COUNTY (FLORIDA)

Attest:

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Secretary/Treasurer

Approved as to form and  
legal sufficiency by the  
Miami-Dade County Attorney

By: \_\_\_\_\_  
Assistant County Attorney  
for Miami-Dade County, Florida

## FLAMINGO POINTE APARTMENTS

Location: SW 3rd Avenue, South of intersection with SW 5th St., Florida City, FL  
Developer: R.S. Development Corp. (Swezy Realty)  
Contact Person: Lewis Swezy (305) 821-0330  
Type of Project: New Construction  
Market: 100% of units for low-income families earning 60% or less of the area median income  
Requested Bond Amount: \$5,687,215  
Total Project Cost: \$9,918,143

<u>No. of Proposed Units</u>		<u>Rent Per Month</u>
66	2 Bedroom	\$610
<u>36</u>	3 Bedroom	\$698
102		

### **TEAM:**

Proposed Architect: Albaisa Architects  
Proposed Managing Agent: Centennial Management Corp.  
Proposed Contractor: R. S. Construction of Dade, Inc.  
Proposed Developer's Attorney: Broad and Cassel  
Proposed Underwriter: William R. Hough & Co.

### **PROJECTED DEBT SERVICE COVERAGE**

Net Operating Income	\$509,043
Annual Debt Service	442,646
Debt Service Coverage	1.15

### **PROJECTED PER UNIT COST**

Per Unit Cost	76,503
Per Unit Tax Exempt Financing	

### **EXPECTED FINANCING SOURCES**

Application indicates the following sources of funds:

Authority Tax Exempt Bonds	\$5,687,215
Miami-Dade Surtax Funding	1,000,000
Developer Contribution:	9,583
Tax Credit Equity	<u>3,221,345</u>
	\$9,918,143

**Credit Enhancement:** Public Offering using a Fannie Mae Credit Enhancement.

**Tax Credit Investor:** Affiliate of Lend Lease Real Estate Investments, Inc.

### **TENANT SERVICES**

1. Amenities – Clubhouse with computer room, pool, tot lot, laundry room. All units will have washer/dryer hookups.

## **RESOLUTION NO. HFA 02-24**

### **RESOLUTION EXPRESSING THE INTENT OF THE HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY (FLORIDA) TO PROCEED WITH THE DEVELOPMENT OF A MULTIFAMILY RENTAL HOUSING PROJECT AND THE FINANCING THEREOF THROUGH THE ISSUANCE OF ITS NOT TO EXCEED \$9,918,143 MULTIFAMILY MORTGAGE REVENUE BONDS FOR THE BENEFIT OF TOWER ROAD GARDENS, LTD.**

WHEREAS, the Housing Finance Authority of Miami-Dade County (Florida) (the “Authority”) has determined that there exists a shortage of safe and sanitary housing for persons and families of low, moderate and middle income, within Miami-Dade County, State of Florida; and

WHEREAS, such shortage will be partially alleviated by the acquisition and construction by a private owner of a multifamily rental housing project to consist of approximately 102 units, to be occupied by persons of low, moderate and middle income located at SW Corner of SW 3rd Avenue, South of intersection with SW 5th Street, Florida City, Miami-Dade County, Florida to be known as Flamingo Pointe Apartments (the “Project”); to be owned by Tower Road Gardens, Ltd. (the “Owner”); and

WHEREAS, in order to provide financing for the acquisition and construction of the Project, the Authority intends to issue its tax-exempt multifamily mortgage revenue bonds for the benefit of the Owner in the amount currently estimated not to exceed \$9,918,143 (the “Bonds”), and to enter into a Loan or Financing Agreement, a Trust Indenture, a Regulatory Agreement as to Tax-Exemption or Land Use Restriction Agreement and other necessary documents with respect to the Project;

NOW, THEREFORE, BE IT RESOLVED by the members of the Housing Finance Authority of Miami-Dade County (Florida), a lawful quorum of which duly assembled, as follows:

SECTION 1. The Authority hereby expresses its intention to approve at a later date, by appropriate resolution, and upon compliance by the Owner with the Authority's "Guidelines for Tax-Exempt Multifamily Housing Financing" with final approval of the Architectural Design and Review Advisory Committee and with certain other conditions to be described to the Owner by the Authority's staff, the financing of the development of the Project through the issuance of its Bonds and the execution of the necessary documents, including a Trust Indenture, Loan or Financing Agreement and Regulatory Agreement as to Tax-Exemption or Land Use Restriction Agreement; provided, however, such Bonds shall not be issued unless the Bonds, if publicly offered, are rated at least A or better by either Standard & Poor's Corporation or Moody's Investors Service or both, if both rate the Bonds, or, alternatively, the Bonds, if not rated, are sold by private placement to institutional investors.

SECTION 2. This Resolution shall constitute a declaration of the official intent of the Authority, within the contemplation of Section 1.150-2 of the Income Tax Regulations promulgated by the Department of the Treasury, to permit the Owner to use proceeds of the Bonds to reimburse itself for certain acquisition, construction, planning, design, legal or other costs and expenses originally paid by the Owner in connection with the Project with funds other than proceeds of the Bonds prior to the issuance of the Bonds (the "Advanced Funds").

The Owner has represented to the Authority that all of the expenditures initially to be made with the Advanced Funds and then to be reimbursed by the Owner from proceeds of the Bonds will be for costs of a type properly chargeable to the capital account of the Project under

general income tax principles, non-recurring working capital expenditures (of a type not customarily payable from current revenues), or costs of issuing the Bonds. Other than any preliminary expenditures for architectural, engineering, surveying, soil testing, costs of issuing the Bonds or similar purposes that may have been paid more than sixty days prior to the date of this Resolution, no expenditures to be reimbursed have been paid more than sixty days earlier than the date of this Resolution.

SECTION 3. The intent period for the Project shall have a term of six (6) months from the date of adoption of this Resolution (the "Intent Period"). The Intent Period is subject to extension by the Authority upon compliance by the Owner or certain requirements established by the Authority, including, the payment of an additional fee to the Authority and bond counsel at the termination of the Intent Period.

SECTION 4. It is expressly stated and agreed that the adoption of this Resolution is not a guaranty, express or implied, that the Authority shall approve the closing and issue the Bonds for the Project. This Resolution is qualified in its entirety by the provisions of Chapter 159, Part VI, Florida Statutes, or any subsequently enacted or effective Order or legislation concerning a State volume ceiling on multifamily housing bonds. In regard to the State volume ceiling for multifamily housing bonds, the Authority can make no guarantees as to the method by which funds will be allocated to any particular project, including the Project, and to which projects, including the Project, funds will be allocated. The Owner shall hold the Authority and its past, present and future members, officers, staff, attorneys, financial advisors, and employees harmless from any liability or claim based upon the failure of the Authority to close the transaction and issue the Bonds or any other cause of action arising from the adoption of this Resolution, the

processing of the financing for the Project, the issuance of the Bonds except for the gross negligence and willful and wanton misconduct of the Authority.

SECTION 5. The Authority has no jurisdiction regarding zoning and land use matters and the adoption of the Resolution is not intended to express any position or opinion regarding same.

SECTION 6. All resolutions and orders or parts thereof, of the Authority, in conflict herewith are, to the extent of such conflict, hereby modified to the extent of such conflict, and this Resolution shall take effect from and after its passage, the public welfare requiring it.

SECTION 7. It is found and determined that all formal actions of this Authority concerning and relating to the adoption of this Resolution were taken in an open meeting of the members of this Authority and that all deliberations of the members of this Authority and of its committees, if any which resulted in such formal action were taken in meetings open to the public, in full compliance with all legal requirements.

The roll being called on the question of adoption of the Resolution, the vote thereon resulted as follows:

AYES:

NAYS:

ABSTENTIONS:

[Remainder of this page intentionally left blank]

The presiding officer declared said Resolution adopted and approved in open meeting.

Adopted this 23th day of September, 2002.

(Seal)

HOUSING FINANCING AUTHORITY OF  
MIAMI-DADE COUNTY (FLORIDA)

Attest:

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Secretary/Treasurer

Approved as to form and  
legal sufficiency by the  
Miami-Dade County Attorney

By: \_\_\_\_\_  
Assistant County Attorney  
for Miami-Dade County, Florida

## **MOWRY GARDENS APARTMENTS**

Location: SW Corner of SW 264th St. and SW 139th Avenue, Naranja, FL  
Developer: R.S. Development Corp. (Swezy Realty)  
Contact Person: Lewis Swezy (305) 821-0330  
Type of Project: New Construction  
Market: 100% of units for low-income families earning 60% or less of the area median income  
Requested Bond Amount: \$23,401,382  
Total Project Cost: \$36,689,080

<u>No. of Proposed Units</u>		<u>Rent Per Month</u>
262	2 Bedroom	\$610
<u>156</u>	3 Bedroom	\$698
418		

### **TEAM:**

Proposed Architect: Albaisa Architects  
Proposed Managing Agent: Centennial Management Corp.  
Proposed Contractor: R. S. Construction of Dade, Inc.  
Proposed Developer's Attorney: Broad and Cassel  
Proposed Underwriter: William R. Hough & Co.

### **PROJECTED DEBT SERVICE COVERAGE**

Net Operating Income	2,094,577
Annual Debt Service	1,821,371
Debt Service Coverage	1.15

### **PROJECTED PER UNIT COST**

Per Unit Cost  
Per Unit Tax Exempt Financing

### **EXPECTED FINANCING SOURCES**

Application indicates the following sources of funds:

Authority Tax Exempt Bonds	\$23,401,382
Miami-Dade Surtax Funding	1,000,000
Developer Contribution:	225,770
Tax Credit Equity	<u>12,061,928</u>
	\$36,689,080

**Credit Enhancement:** Public Offering using a Fannie Mae Credit Enhancement.

**Tax Credit Investor:** Affiliate of Lend Lease Real Estate Investments, Inc.

### **TENANT SERVICES**

1. Amenities – Clubhouse with computer room, pool, tot lot, laundry room. All units will have washer/dryer hookups.

## **RESOLUTION NO. HFA 02-25**

### **RESOLUTION EXPRESSING THE INTENT OF THE HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY (FLORIDA) TO PROCEED WITH THE DEVELOPMENT OF A MULTIFAMILY RENTAL HOUSING PROJECT AND THE FINANCING THEREOF THROUGH THE ISSUANCE OF ITS NOT TO EXCEED \$36,689,080 MULTIFAMILY MORTGAGE REVENUE BONDS FOR THE BENEFIT OF MOWRY GARDENS, LTD.**

WHEREAS, the Housing Finance Authority of Miami-Dade County (Florida) (the “Authority”) has determined that there exists a shortage of safe and sanitary housing for persons and families of low, moderate and middle income, within Miami-Dade County, State of Florida; and

WHEREAS, such shortage will be partially alleviated by the acquisition and construction by a private owner of a multifamily rental housing project to consist of approximately 418 units, to be occupied by persons of low, moderate and middle income located at SW Corner of SW 264th Street and SW 139th Avenue, Naranja, Miami-Dade County, Florida to be known as Mowry Gardens Apartments (the “Project”); to be owned by Mowry Gardens, Ltd. (the “Owner”); and

WHEREAS, in order to provide financing for the acquisition and construction of the Project, the Authority intends to issue its tax-exempt multifamily mortgage revenue bonds for the benefit of the Owner in the amount currently estimated not to exceed \$36,689,080 (the “Bonds”), and to enter into a Loan or Financing Agreement, a Trust Indenture, a Regulatory Agreement as to Tax-Exemption or Land Use Restriction Agreement and other necessary documents with respect to the Project;

NOW, THEREFORE, BE IT RESOLVED by the members of the Housing Finance Authority of Miami-Dade County (Florida), a lawful quorum of which duly assembled, as follows:

SECTION 1. The Authority hereby expresses its intention to approve at a later date, by appropriate resolution, and upon compliance by the Owner with the Authority's "Guidelines for Tax-Exempt Multifamily Housing Financing" with final approval of the Architectural Design and Review Advisory Committee and with certain other conditions to be described to the Owner by the Authority's staff, the financing of the development of the Project through the issuance of its Bonds and the execution of the necessary documents, including a Trust Indenture, Loan or Financing Agreement and Regulatory Agreement as to Tax-Exemption or Land Use Restriction Agreement; provided, however, such Bonds shall not be issued unless the Bonds, if publicly offered, are rated at least A or better by either Standard & Poor's Corporation or Moody's Investors Service or both, if both rate the Bonds, or, alternatively, the Bonds, if not rated, are sold by private placement to institutional investors.

SECTION 2. This Resolution shall constitute a declaration of the official intent of the Authority, within the contemplation of Section 1.150-2 of the Income Tax Regulations promulgated by the Department of the Treasury, to permit the Owner to use proceeds of the Bonds to reimburse itself for certain acquisition, construction, planning, design, legal or other costs and expenses originally paid by the Owner in connection with the Project with funds other than proceeds of the Bonds prior to the issuance of the Bonds (the "Advanced Funds").

The Owner has represented to the Authority that all of the expenditures initially to be made with the Advanced Funds and then to be reimbursed by the Owner from proceeds of the Bonds will be for costs of a type properly chargeable to the capital account of the Project under

general income tax principles, non-recurring working capital expenditures (of a type not customarily payable from current revenues), or costs of issuing the Bonds. Other than any preliminary expenditures for architectural, engineering, surveying, soil testing, costs of issuing the Bonds or similar purposes that may have been paid more than sixty days prior to the date of this Resolution, no expenditures to be reimbursed have been paid more than sixty days earlier than the date of this Resolution.

SECTION 3. The intent period for the Project shall have a term of six (6) months from the date of adoption of this Resolution (the "Intent Period"). The Intent Period is subject to extension by the Authority upon compliance by the Owner or certain requirements established by the Authority, including, the payment of an additional fee to the Authority and bond counsel at the termination of the Intent Period.

SECTION 4. It is expressly stated and agreed that the adoption of this Resolution is not a guaranty, express or implied, that the Authority shall approve the closing and issue the Bonds for the Project. This Resolution is qualified in its entirety by the provisions of Chapter 159, Part VI, Florida Statutes, or any subsequently enacted or effective Order or legislation concerning a State volume ceiling on multifamily housing bonds. In regard to the State volume ceiling for multifamily housing bonds, the Authority can make no guarantees as to the method by which funds will be allocated to any particular project, including the Project, and to which projects, including the Project, funds will be allocated. The Owner shall hold the Authority and its past, present and future members, officers, staff, attorneys, financial advisors, and employees harmless from any liability or claim based upon the failure of the Authority to close the transaction and issue the Bonds or any other cause of action arising from the adoption of this Resolution, the

processing of the financing for the Project, the issuance of the Bonds except for the gross negligence and willful and wanton misconduct of the Authority.

SECTION 5. The Authority has no jurisdiction regarding zoning and land use matters and the adoption of the Resolution is not intended to express any position or opinion regarding same.

SECTION 6. All resolutions and orders or parts thereof, of the Authority, in conflict herewith are, to the extent of such conflict, hereby modified to the extent of such conflict, and this Resolution shall take effect from and after its passage, the public welfare requiring it.

SECTION 7. It is found and determined that all formal actions of this Authority concerning and relating to the adoption of this Resolution were taken in an open meeting of the members of this Authority and that all deliberations of the members of this Authority and of its committees, if any which resulted in such formal action were taken in meetings open to the public, in full compliance with all legal requirements.

The roll being called on the question of adoption of the Resolution, the vote thereon resulted as follows:

AYES:

NAYS:

ABSTENTIONS:

[Remainder of this page intentionally left blank]

The presiding officer declared said Resolution adopted and approved in open meeting.

Adopted this 23th day of September, 2002.

(Seal)

HOUSING FINANCING AUTHORITY OF  
MIAMI-DADE COUNTY (FLORIDA)

Attest:

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Secretary/Treasurer

Approved as to form and  
legal sufficiency by the  
Miami-Dade County Attorney

By: \_\_\_\_\_  
Assistant County Attorney  
for Miami-Dade County, Florida

j:/bonds/2002/1461/resos/Mowry Gardens.AckReso.doc

## VILLA CAPRI APARTMENTS

Location: 14500 SW 230th Street, Miami-Dade County, FL 33032  
Developer: Cornerstone Villa Capri, LLC (General Partner)  
Contact Person: Mara S. Mades (305) 443-8288  
Type of Project: New Construction  
Market: 100% of units for low-income families earning 60% or less of the area median income  
Requested Bond Amount: \$17,890,000  
Total Project Cost: \$30,519,017

<u>No. of Proposed Units</u>		<u>Rent Per Month</u>
90	1 Bedroom	\$503
144	2 Bedroom	\$599
126	3 Bedroom	\$689
360		

### **TEAM:**

Proposed Architect: Mouriz Salazar Architects & Planners  
Proposed Managing Agent: Cornerstone Residential Management, Inc.  
Proposed Contractor: Alliance Construction, Inc.  
Proposed Developer's Attorney: Berman Wolfe Rennert Vogel & Mandler  
Proposed Underwriter: Raymond James & Associates, Inc.

### **PROJECTED DEBT SERVICE COVERAGE**

Net Operating Income	\$1,467,528
Annual Debt Service	1,275,871
Debt Service Coverage	1.15

### **PROJECTED PER UNIT COST**

Per Unit Cost	84,775
Per Unit Tax Exempt Financing	49,694

### **EXPECTED FINANCING SOURCES**

Application indicates the following sources of funds:

Authority Tax Exempt Bonds	17,890,000
Miami-Dade Ship Funding	1,000,000
Developer Contribution:	2,296,017
Tax Credit Equity	9,333,000
	<hr/>
	\$30,519,017

**Credit Enhancement:** HUD guarantee fund, subject to standard due diligence.

**Tax Credit Investor:** Affiliate of Lend Lease Real Estate Investments, Inc.

### **TENANT SERVICES**

1. Amenities – Clubhouse, pool, deck, gazebo, tot lot, fitness center, laundry facilities and social room.

**RESOLUTION NO. HFA 02-26**

**RESOLUTION EXPRESSING THE INTENT OF THE HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY (FLORIDA) TO PROCEED WITH THE DEVELOPMENT OF A MULTIFAMILY RENTAL HOUSING PROJECT AND THE FINANCING THEREOF THROUGH THE ISSUANCE OF ITS NOT TO EXCEED \$30,519,017 MULTIFAMILY MORTGAGE REVENUE BONDS FOR THE BENEFIT OF VILLA CAPRI ASSOCIATES, LTD.**

WHEREAS, the Housing Finance Authority of Miami-Dade County (Florida) (the “Authority”) has determined that there exists a shortage of safe and sanitary housing for persons and families of low, moderate and middle income, within Miami-Dade County, State of Florida; and

WHEREAS, such shortage will be partially alleviated by the acquisition and construction by a private owner of a multifamily rental housing project to consist of approximately 360 units, to be occupied by persons of low, moderate and middle income located at intersection of 14500 SW 280th Street, Miami-Dade County, Florida to be known as Villa Capri Apartments (the “Project”); to be owned by Villa Capri Associates, Ltd. (the “Owner”); and

WHEREAS, in order to provide financing for the acquisition and construction of the Project, the Authority intends to issue its tax-exempt multifamily mortgage revenue bonds for the benefit of the Owner in the amount currently estimated not to exceed \$30,519,017 (the “Bonds”), and to enter into a Loan or Financing Agreement, a Trust Indenture, a Regulatory Agreement as to Tax-Exemption or Land Use Restriction Agreement and other necessary documents with respect to the Project;

NOW, THEREFORE, BE IT RESOLVED by the members of the Housing Finance Authority of Miami-Dade County (Florida), a lawful quorum of which duly assembled, as follows:

SECTION 1. The Authority hereby expresses its intention to approve at a later date, by appropriate resolution, and upon compliance by the Owner with the Authority's "Guidelines for Tax-Exempt Multifamily Housing Financing" with final approval of the Architectural Design and Review Advisory Committee and with certain other conditions to be described to the Owner by the Authority's staff, the financing of the development of the Project through the issuance of its Bonds and the execution of the necessary documents, including a Trust Indenture, Loan or Financing Agreement and Regulatory Agreement as to Tax-Exemption or Land Use Restriction Agreement; provided, however, such Bonds shall not be issued unless the Bonds, if publicly offered, are rated at least A or better by either Standard & Poor's Corporation or Moody's Investors Service or both, if both rate the Bonds, or, alternatively, the Bonds, if not rated, are sold by private placement to institutional investors.

SECTION 2. This Resolution shall constitute a declaration of the official intent of the Authority, within the contemplation of Section 1.150-2 of the Income Tax Regulations promulgated by the Department of the Treasury, to permit the Owner to use proceeds of the Bonds to reimburse itself for certain acquisition, construction, planning, design, legal or other costs and expenses originally paid by the Owner in connection with the Project with funds other than proceeds of the Bonds prior to the issuance of the Bonds (the "Advanced Funds").

The Owner has represented to the Authority that all of the expenditures initially to be made with the Advanced Funds and then to be reimbursed by the Owner from proceeds of the Bonds will be for costs of a type properly chargeable to the capital account of the Project under general income tax principles, non-recurring working capital expenditures (of a type not customarily payable from current revenues), or costs of issuing the Bonds. Other than any preliminary expenditures for architectural, engineering, surveying, soil testing, costs of issuing

the Bonds or similar purposes that may have been paid more than sixty days prior to the date of this Resolution, no expenditures to be reimbursed have been paid more than sixty days earlier than the date of this Resolution.

SECTION 3. The intent period for the Project shall have a term of six (6) months from the date of adoption of this Resolution (the "Intent Period"). The Intent Period is subject to extension by the Authority upon compliance by the Owner or certain requirements established by the Authority, including, the payment of an additional fee to the Authority and bond counsel at the termination of the Intent Period.

SECTION 4. It is expressly stated and agreed that the adoption of this Resolution is not a guaranty, express or implied, that the Authority shall approve the closing and issue the Bonds for the Project. This Resolution is qualified in its entirety by the provisions of Chapter 159, Part VI, Florida Statutes, or any subsequently enacted or effective Order or legislation concerning a State volume ceiling on multifamily housing bonds. In regard to the State volume ceiling for multifamily housing bonds, the Authority can make no guarantees as to the method by which funds will be allocated to any particular project, including the Project, and to which projects, including the Project, funds will be allocated. The Owner shall hold the Authority and its past, present and future members, officers, staff, attorneys, financial advisors, and employees harmless from any liability or claim based upon the failure of the Authority to close the transaction and issue the Bonds or any other cause of action arising from the adoption of this Resolution, the processing of the financing for the Project, the issuance of the Bonds except for the gross negligence and willful and wanton misconduct of the Authority.

SECTION 5. The Authority has no jurisdiction regarding zoning and land use matters and the adoption of the Resolution is not intended to express any position or opinion regarding same.

SECTION 6. All resolutions and orders or parts thereof, of the Authority, in conflict herewith are, to the extent of such conflict, hereby modified to the extent of such conflict, and this Resolution shall take effect from and after its passage, the public welfare requiring it.

SECTION 7. It is found and determined that all formal actions of this Authority concerning and relating to the adoption of this Resolution were taken in an open meeting of the members of this Authority and that all deliberations of the members of this Authority and of its committees, if any which resulted in such formal action were taken in meetings open to the public, in full compliance with all legal requirements.

The roll being called on the question of adoption of the Resolution, the vote thereon resulted as follows:

AYES:

NAYS:

ABSTENTIONS:

[Remainder of this page intentionally left blank]

The presiding officer declared said Resolution adopted and approved in open meeting.

Adopted this 23th day of September, 2002.

(Seal)

HOUSING FINANCING AUTHORITY OF  
MIAMI-DADE COUNTY (FLORIDA)

Attest:

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Secretary/Treasurer

Approved as to form and  
legal sufficiency by the  
Miami-Dade County Attorney

By: \_\_\_\_\_  
Assistant County Attorney  
for Miami-Dade County, Florida



# LEGAL SERVICES OF GREATER MIAMI, INC.



3000 Biscayne Boulevard, Suite 500 ! Miami, FL 33137-4129 ! (305) 576-5112 Fax ! (305) 573-1578 TDD  
(305) 576-0080 Ext. 501 ! cypenmk@lsgmi.org

**LYNN C. WASHINGTON**  
President

**LIBBY HERRERA-NAVARRETE**  
1<sup>st</sup> Vice President

**GAIL EAFORD**  
2<sup>nd</sup> Vice President

**ELIZABETH M. SCHWABEDISSEN**  
Treasurer

**CHRISTOPHER C. MEYER**  
Secretary

**ELIZABETH M. SCHWABEDISSEN**  
Immediate Past President

September 11, 2002

**MARCIA K. CYPEN**  
Executive Director

Patricia Braynon, Director  
Housing Finance Authority  
25 West Flagler Street, Suite 950  
Miami, Florida 33130

Dear Pat:

As you know, Legal Services of Greater Miami, Inc. (LSGMI) has been actively involved with Commissioner Carey-Shuler's Anti-Predatory Lending Work Group since its inception. During the past nine months, we have worked collaboratively with the other participating agencies, provided training on predatory lending to agency staff, conducted community education seminars for consumers, provided comments on predatory lending legislation and implementing rules, and, most importantly, provided legal advice and representation to victims of predatory lending.

As a result of our efforts and those of the Work Group, there has been an increase in the number of predatory lending victims who are seeking legal representation. In order to continue to dedicate resources to address this growing community need, we are requesting \$50,000 from the Housing Finance Authority. These funds will be used for:

1. Legal advice and representation to victims of predatory lending;
2. Community legal education presentations to consumers, in conjunction with the Housing Finance Authority; and
3. Training for agency staff working with consumers.

We will, of course, continue our participation on the Work Group and our collaborative work with other agencies.

**EQUAL JUSTICE UNDER LAW**

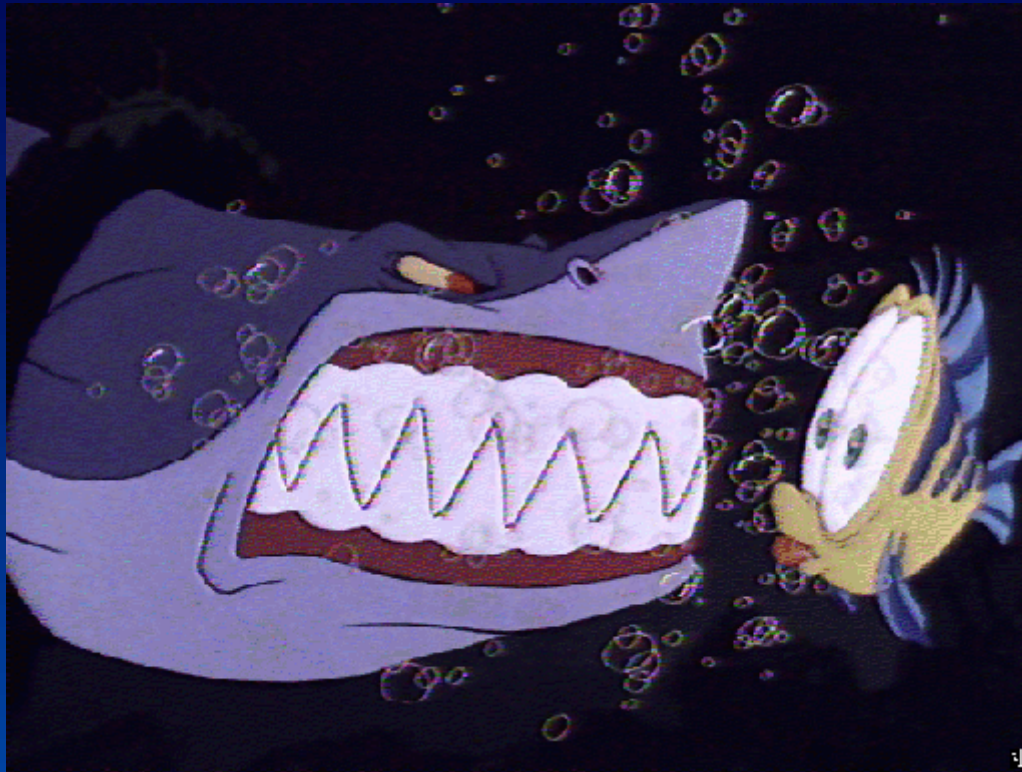
September 11, 2002

Page 2 –

Thank you for your consideration of this request. Please let me know if you would like any additional information.

Sincerely yours,

Marcia K. Cypen  
Executive Director



Predatory Lending

Predatory lending  
is not defined  
by any statute or regulation.

# DEFINITION OF PREDATORY LENDING

---

“Predatory lending--whether undertaken by creditors, brokers, or even home improvement contractors--involves engaging in deception or fraud, manipulating the borrower through aggressive sales tactics, or taking unfair advantage of a borrower’s lack of understanding about loan terms.”

HUD-Treasury National Predatory Lending Task Force

# SUB-PRIME LOANS

---

- P Loan market for people with credit problems
- P Cost of credit is higher
- P Sometimes individuals with good credit are unfairly steered towards sub-prime loans

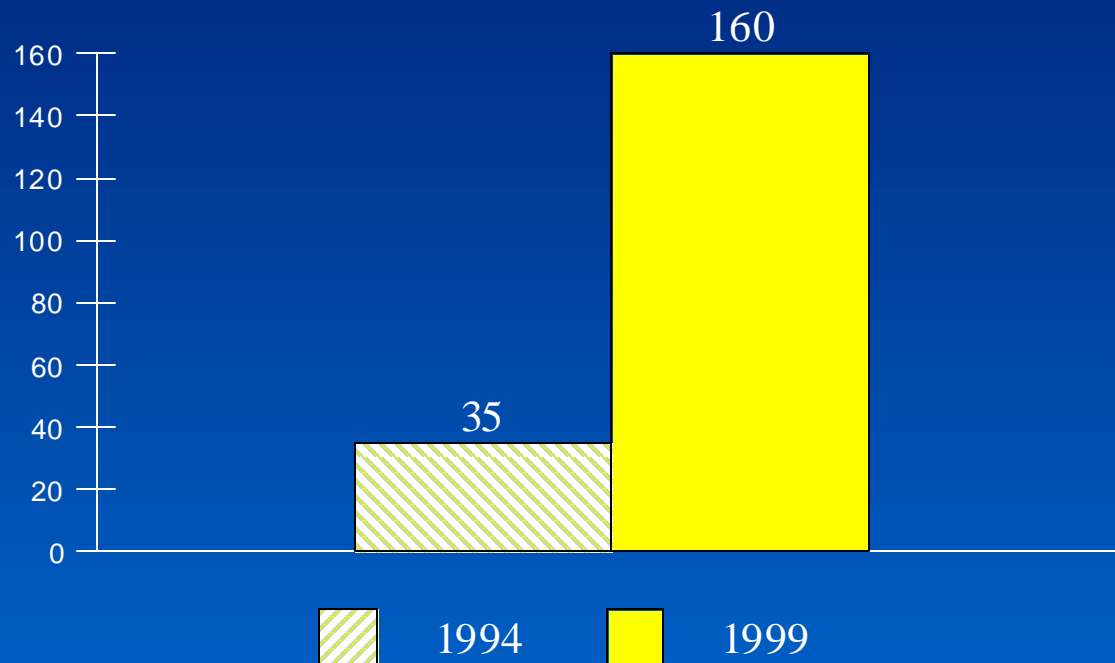


Not all sub-prime loans are predatory,  
but most predatory loans are sub-prime

# INCREASE IN THE SUB-PRIME MARKET

---

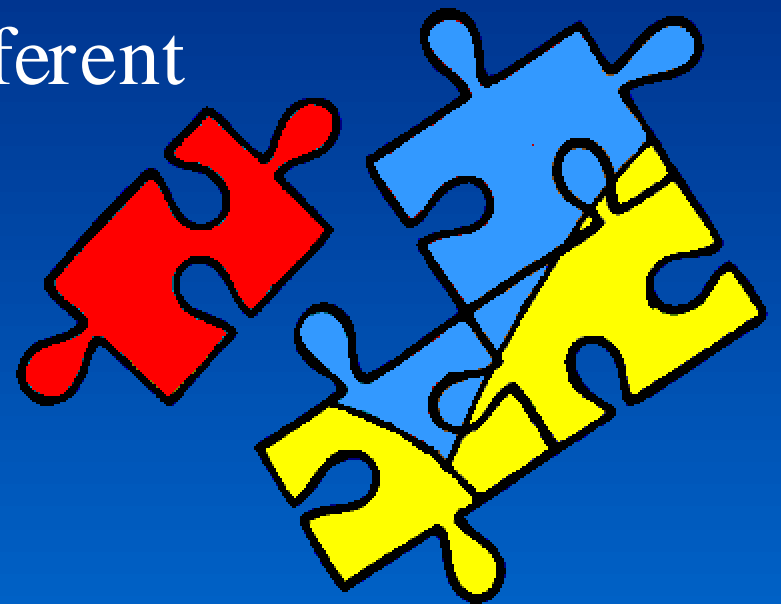
Number of Sub-Prime Loans in Billions of Dollars



# WHAT DOES A PREDATORY LOAN LOOK LIKE?

---

- P There isn't one characteristic that describes all predatory loans
- P All predatory loans are different
- P Look for "RED FLAGS"



# “RED FLAGS”

---



- P High interest rates
- P High fees
- P Pre-paid credit insurance
- P Balloon payments
- P Pre-payment penalties
- P Kick backs to mortgage brokers

# CASE STUDY #1

---

- P 85 year old homeowner with a monthly income of \$545.00
- P Client has owned home since 1963
- P Client also owns vacant property with \$7,500.00 mortgage
- P Home was fully paid for before new loan

# CASE STUDY #1

---

- P Client was visited by representative of vacant lot's mortgagee
- P Executed mortgage on home for \$19,500.00
  - < \$7,700.00 to pay off mortgage on vacant lot
  - < \$6,000.00 cash to client
  - < \$5,700.00 in closing costs; \$100.00 in other expenses
- P Monthly payment is \$273.00--half of client's monthly income

# CASE STUDY #1

---

- P Foreclosure lawsuit filed
- P Judgment in amount of \$24,100.00 entered by Court
- P House was scheduled for foreclosure sale
- P Chapter 13 Bankruptcy filed to stay the foreclosure sale
- P Discovery is ongoing
  - < \$6,000.00 was paid directly to a home improvement company
  - < No repairs were ever made to client's home





# CASE STUDY #1—POTENTIAL CLAIMS

---

- P HOEPA (Home Ownership Equity Protection Act) and TILA (Truth in Lending Act)
  - < Actual damages for check payable to contractor
  - < Statutory damages in amount of \$2,000.00
  - < Rescission
- P UDAP (Unfair and Deceptive Trade Practices Act)
  - < Declaratory and injunctive relief
  - < Actual damages
- P Fraud
  - < Damages
- P Home Improvement Sales Finance Act
  - < Actual damages equal to finance charge amount and fees incurred due to the delinquency
  - < Valid against assignees
- P PLUS, possible administrative remedies

## CASE STUDY #2

---

- P Elderly and disabled homeowner
- P Client has owned home since 1976
- P Previous mortgage payments were \$600.00 per month and included escrow payments for property taxes and property insurance
- P Client was solicited for home improvements
- P Client told mortgage broker that she could not afford higher mortgage payments--the mortgage broker told client not to worry

## CASE STUDY #2

---

- P** Terms of client's home improvement contract:
  - < Replace all windows and screens
  - < Inspect all floors and walls
  - < Perform necessary repairs, and
  - < All work to be performed neatly and to the client's satisfaction
- P** Home improvement company installed windows, press and stick tiles in the front room, and some carpet
- P** Home improvement company did not replace or repair the wood window frames, the flooring, or the walls
- P** Home improvement company did not even pull permits

## CASE STUDY #2

---

- P Client executed a mortgage for \$78,300.00
- P Client's mortgage payments increased from \$600.00 per month to \$924.00 per month
- P Client's monthly payments do not include an escrow for property taxes or property insurance

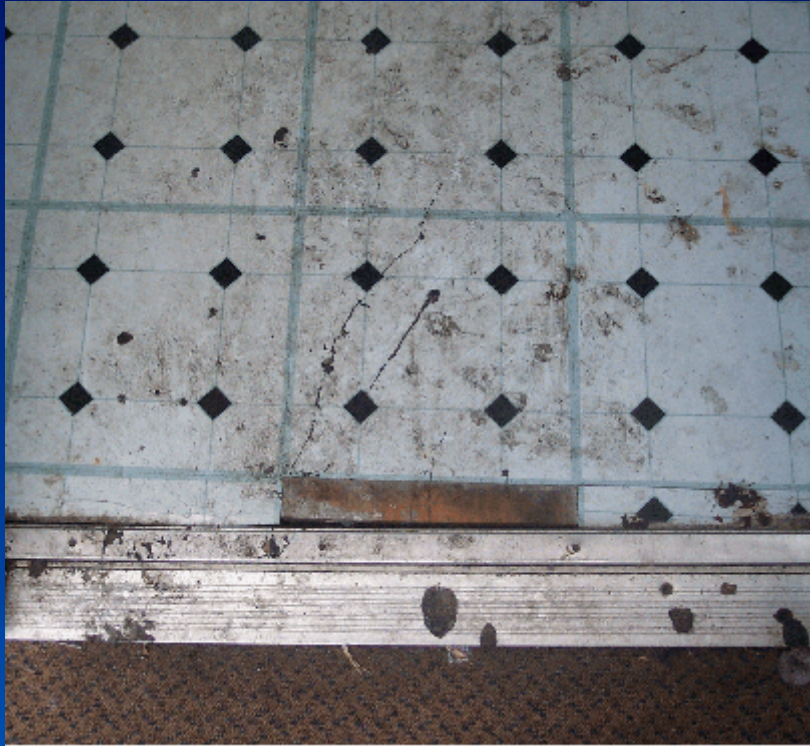












# CASE STUDY #2—POTENTIAL CLAIMS

---

**P** TILA (Truth in Lending Act)

- < Statutory damages in amount of \$2,000.00
- < Rescission

**P** UDAP (Unfair and Deceptive Trade Practices Act)

- < Declaratory and injunctive relief
- < Actual damages

**P** Fraud

- < Damages

**P** Home Improvement Sales Finance Act

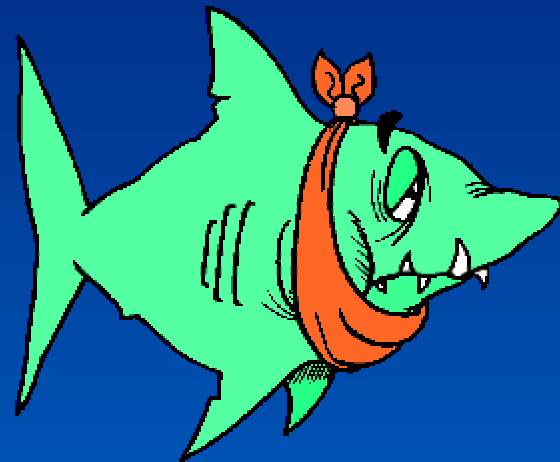
- < Actual damages equal to finance charge amount and fees incurred due to the delinquency
- < Valid against assignees

**P** Breach of Contract

- < Damages

**P** PLUS, possible administrative remedies

Legal Services of Greater Miami, Inc.  
3000 Biscayne Boulevard, Suite 500  
Miami, Florida 33137  
305-576-0080



# **Housing Finance Authority of Miami-Dade**

## **An Introduction To Reinvestment and Derivative Products**



**Mary A. Packer, President**

***PackerKiss Securities, Inc.***

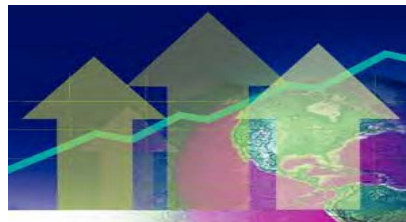
# Investment Agreement Basics

---

**The Issuer chooses the investment parameters:**

- **Security;**
- **Interest type and frequency;**
- **Maturity;**
- **Amounts; and**
- **Flexibility.**

**The Provider bids the rate(s) and caveat(s).**

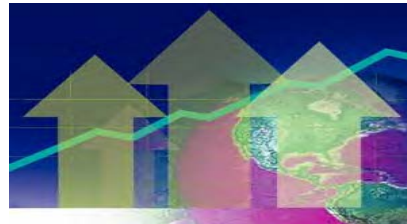


***PK Securities, Inc.***

# Why do Housing Authorities use Investment Agreements?

---

- To earn relatively attractive investment rate(s) with the ability to lock in for as long as 40 years;
- To eliminate or reduce reinvestment risk;
- To strengthen rating agency(s) cash flows;
- To achieve a highly secure credit structure;
- To refine and accommodate specific needs for each transaction;
- To simplify Arbitrage Rebate calculations; and
- To eliminate administrative burdens.



***PK Securities, Inc.***

# Applications

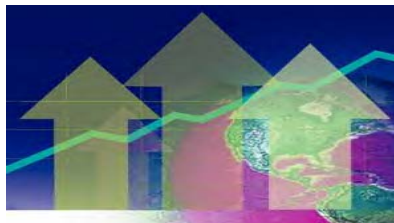
---

## Traditional Applications:

- **Construction/ Project/ Capitalized Interest Funds;**
- **Acquisition/ Down Payment Assistance/ COB Escrow Funds;**
- **Float Funds; and**
- **Debt Service Reserve Funds.**

## Expanding Applications:

- **Escrow (Economic Defeasance/ Lease & Other Obligations) Funds;**
- **Non-Bond Proceeds; and**
- **Hedging Interest Rate Risk with Caps, Floors, etc...**

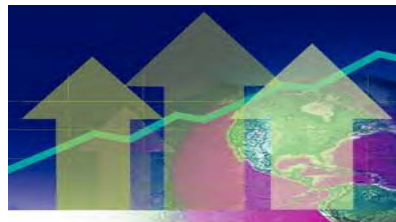


***PK Securities, Inc.***

# Reinvestment goals

---

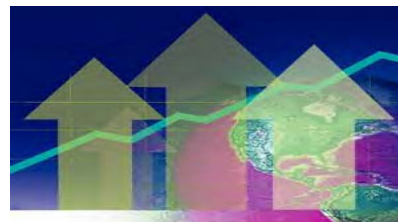
- **To maximize yield:**  
Reducing expenses through higher investment returns, leaving more bond proceeds to pay hard costs and more equity to pay other costs or to lessen the Issuer contribution for negative arbitrage.
- **To ensure safety:**  
Using strict downgrade provisions and covenants.
- **To provide flexibility and liquidity.**



***PK Securities, Inc.***

## **Downgrade of a Provider does not automatically lead to a downgrade of the Bond's rating**

- **Review by the Rating Agency(s) of program financials and diversity of investments; and**
- **Downgrade protection options available to Issuer:**
  - **To terminate and reinvest funds;**
  - **To obtain guarantee;**
  - **To back investment with general obligation pledge; and**
  - **To view the GIC as a series of short term investments.**



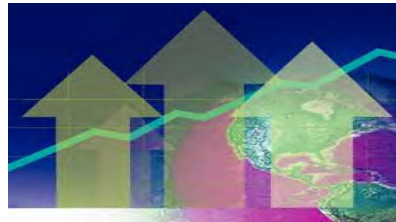
***PK Securities, Inc.***

# Risks assumed by Investment Agreement Providers

---

## Risks:

- Investment Risk – principal guarantee;
- Basis Risk – floating off desired index;
- Market Risk – forward start;
- Credit Risk – downgrade language; and
- Reinvestment Risk – future deposits allowed.

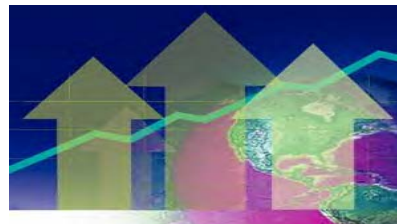


***PK Securities, Inc.***

# What information does an Authority make available to Providers?

---

- An accurate projected draw schedule for the Acquisition Fund;
- Historic loan origination information; and
- Strong language to alert Providers that the Indenture cannot be affected by their contract.



***PK Securities, Inc.***

# Risk and pricing assessment

---

The quality of information given to the Providers has a direct impact on Investment Agreement pricing:

<p><b><u>Documentation issues</u></b></p> <p>Governing law</p> <p>Permitted Investments</p> <p>Downgrade language</p> <p>Payment dates</p> <p>Interest method</p>	<p><b><u>Cash Flow issues</u></b></p> <p>Past history</p> <p>Accuracy of draw schedule</p> <p>Structure of current program</p> <p>Competing programs</p>
<p><b><u>Credit issues</u></b></p> <p>Bond ratings</p>	<p><b><u>Contractual protections</u></b></p> <p>How much draw flexibility?</p> <p>Is there recycling?</p> <p>Are Caps allowed on float funds?</p> <p>Call provisions?</p>



***PK Securities, Inc.***

# What situations have Issuers faced recently?

---

- **Analysis, with Underwriters and Financial Advisors, of the summation of bids is of key importance especially with regard to comparison of individual fund bids versus all-or-none bid packages;**
- **Review of the Downgrade provisions, remedies and special triggers;**
- **Discussion and assessment of additional bid caveats which are deviations from the Bid Request;**
- **Special attention to be given to any current or proposed contractual restrictions in the transaction's Indenture;**
- **“American” 30/360 Interest Calculation; and**
- **A review of existing Agreements to ensure diversification of the Issuer's portfolio balanced against bidding the transaction to the largest number of qualified bidders.**



***PK Securities, Inc.***

# Negative Arbitrage

---

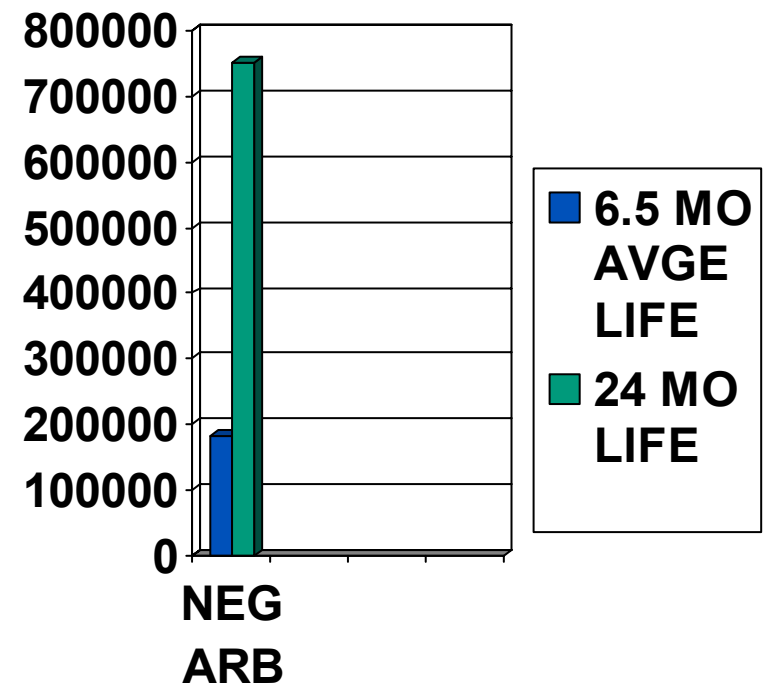
## Definition:

Losses on bond principal reinvestment during (and perhaps even after) the origination period.

## Sources of Payment/Minimizing Negative Arbitrage:

- Master Servicer up-front fees;
- Lender up-front fees;
- Authority contribution;
- Higher Developer costs for multifamily deals (from syndication proceeds); and
- Premium Bond and/or Note structures.

## Representative \$10M Housing Deal

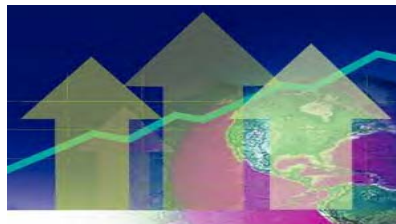


***PK Securities, Inc.***

# Maximizing current market opportunities

---

- **Start early! Indicative reinvestment rates should be considered every step of the way during the structuring and pricing phases of the transaction;**
- **Achieve the highest yields possible by creating a financial plan that is both cost-effective and practical, yet not overly flexible, in order to reduce the risk to the Provider;**
- **Solicit bids for Derivatives and Investment Agreements from the largest host of active, qualified Bidders; and**
- **The key to a successful bid is to give the Provider a clear understanding of the program in a concise manner.**
  - ❖ **Well thought-out draw schedules;**
  - ❖ **Better credit information; and**
  - ❖ **Outline key contractual provisions.**

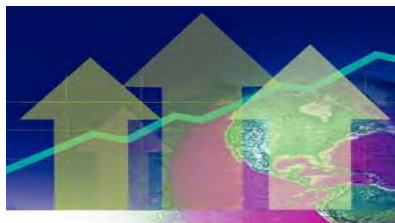


***PK Securities, Inc.***

## Specific examples of minimizing Negative Arbitrage

---

- In order to achieve the goal of having as much money as possible committed prior to the closing date, additional time is gained if: (a) reservations are taken immediately after pricing, and (b) the closing date is delayed for as long as six weeks.
- Under a roll-out lending program, an Issuer has the flexibility to issue a large bond transaction. A small portion is originated first and the remaining amount is put in a series of notes, thus locking out the later portions and receiving a much higher reinvestment rate for each note. When each originating portion is 100% reserved and on its way to full origination, the next portion is then rolled out.



***PK Securities, Inc.***

## Specific examples of minimizing Negative Arbitrage

---

- Issuers may purchase loans in advance of issuing bonds by using their own capital. Capital is also a good source of higher interest rates for an Issuer's short-term money. Whereas most local Issuers do not have enough to cover the entire issuance – they may be able to cover a portion...thus lowering their negative arbitrage proportionately.
- Rather than investing in an Investment Agreement, the very sophisticated Issuer may invest in AAA/Aaa asset-backed securities with a 1-year average life, priced at some spread over LIBOR, reset monthly.

**Risk: A duration mismatch.**

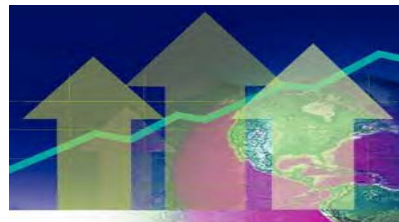


***PK Securities, Inc.***

# What is a Derivative?

---

- **Derivatives are financial securities whose value is derived from another "underlying" financial security. Caps, Floors, Collars, Swaps, and Structured Notes are all examples of derivative securities;**
- **Derivatives may be used for hedging, protection against financial risk, or for speculation on the movement of commodity or security prices, interest rates or the levels of financial indices;**
- **The valuation of derivatives makes use of the statistical mathematics of uncertainty, which is very complex;**
- **Derivatives are usually carried “off balance sheet” from the bond issue they seek to protect.**



***PK Securities, Inc.***

# What is a Derivatives “Value”?

---

➤ **Derivative financial products are a contrived instrument, the value of which depends indirectly on the price of a cash instrument or index. The price of the cash instrument or index is referred to as the "underlying" price or yield. Examples of cash instruments include actual shares in a company, physical stocks of commodities, cash, foreign exchange, etc. Examples of indices are TBMA and LIBOR.**

➤ **Why use Derivatives and not just cash instruments?**

**Derivatives exist to solve specific positioning, accounting and regulatory problems.**

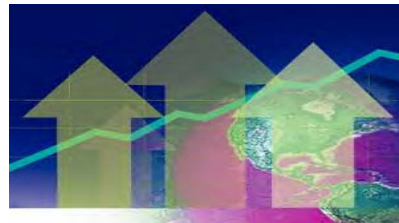


***PK Securities, Inc.***

# Derivatives. Is it Insurance or a Speculative Tool?

---

- The key to understanding Derivatives is the notion of a premium. Some Derivatives may be compared to insurance. Just as one pays a premium to an insurance company in order to obtain some protection against a specific event, there are derivative products for which one must pay a premium in advance that have a payoff contingent upon the occurrence of some event.
- Derivatives are also used to “play the market” such as forward structures that call the direction of interest rates and attempt to benefit from that movement without actually buying the underlying asset or index.



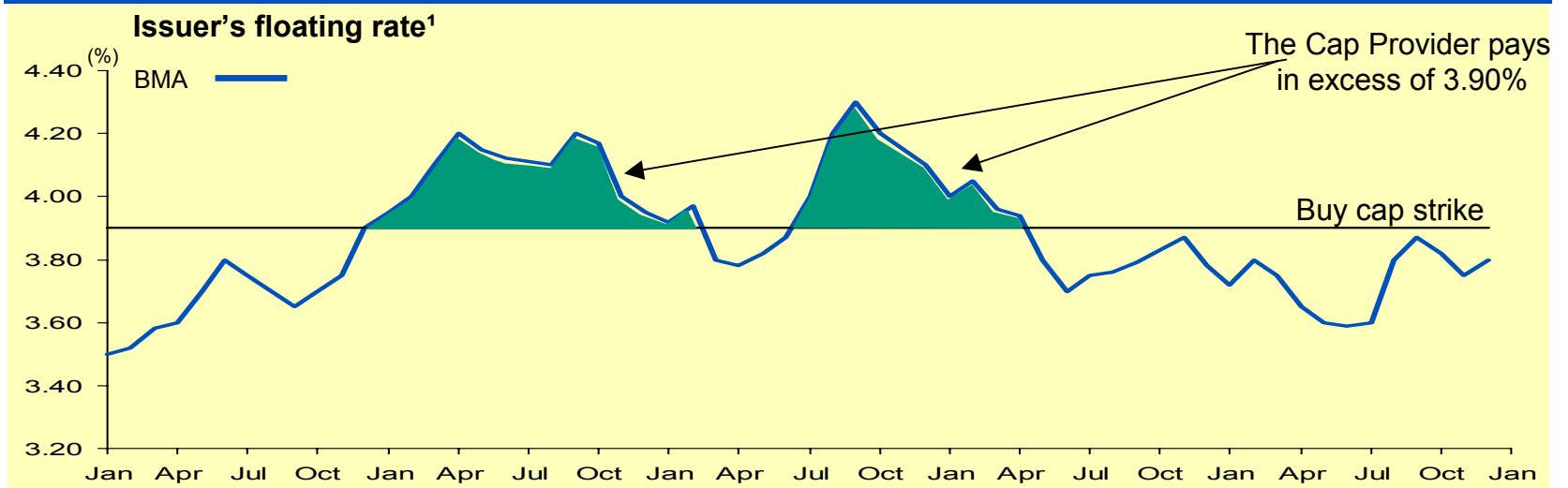
***PK Securities, Inc.***

# “Plain Vanilla” Cap protects Issuer against interest rates above an established Strike Rate

## Objective:

- Protection over a term for increases in interest rates above selected interest rate (“strike rate”)
- Mechanics:
- Issuer pays an upfront premium today for a payout if rates rise above strike rate (premium can also be amortized)
- For each observation, if BMA > strike rate, the Cap Provider pays Issuer the difference between BMA and the strike rate
- Cost of protection becomes more expensive for lower strike rates and/or longer maturities

## Example: 3.9% BMA vanilla cap



*PK Securities, Inc.*

<sup>1</sup> Does not include annual cost of the cap

# Caps and Floors (aka “Collar”) may be combined to reduce interest rate volatility at a lower overall cost

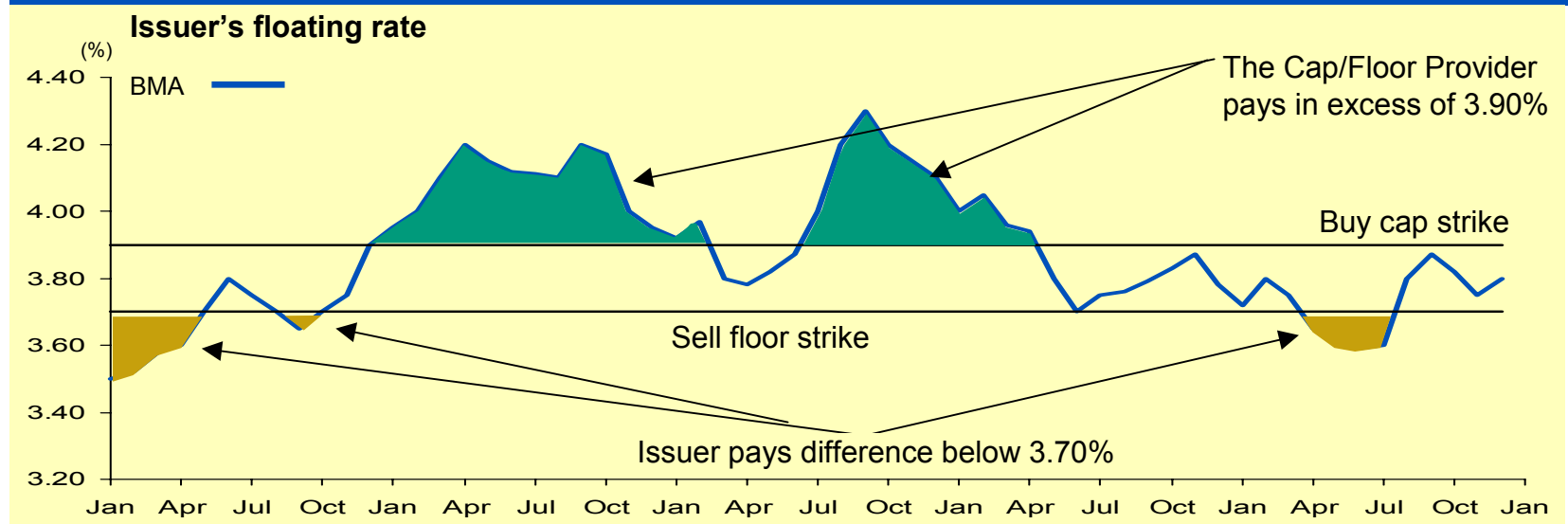
## Objective:

- To lock in a range of interest rates; reduce or eliminate cost of cap

## Mechanics:

- Issuer buys 3.9% cap from the Cap/Floor Provider
- Issuer sells 3.7% floor to Cap/Floor Provider
- Selling the floor (or rather the upside of lower rates) offsets some or all of the cost of the cap
- Usually structured on a net cost basis
- Issuer's cost of funds floats between 3.7% and 3.9%

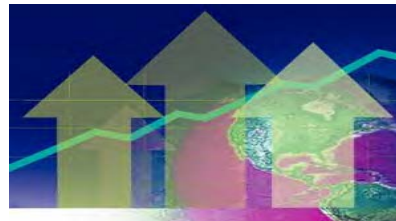
## Example: collar structure with a cap at 3.90% and a floor at 3.70%



## Each interest rate Cap strategy offers a different level of protection

---

Type	Purpose	Cost	Risks	Flexibility
Plain vanilla cap	Insures against rate increases above a pre-determined rate	High	None	Strike rate can be set at any rate
Collar cap	To lock in a range of interest rates	Low	Gives up any upside	Can be structured “costless”



***PK Securities, Inc.***

# Housing - Types of transactions using Derivatives

---

**Single Family** – Floating rate debt is issued, then swapped to fixed for a period of time or the entire life of the transaction.

- **Value:** Issuer takes advantage of low tax-exempt rates (TBMA was 1.22% last week) to the end of the construction period, then swaps to a fixed rate for the remainder of the bond issue. (A 10 year swap starting in two years would be a fixed rate of approximately 4.60%.)
- **Downside:** Most issuers do not have the credit rating to be the Counterparty of the swap; credit enhancement is expensive to purchase.
- **Downside:** A swap invokes a “mark-to-market” feature for any changes needed over time, which could result in huge penalties. Biggest risks are non-origination and prepayments.



***PK Securities, Inc.***

# Housing - Types of transactions using Derivatives

---

**Multi-Family** – Floating rate debt is issued simultaneously with entering into an Interest Rate Cap Agreement thus “insuring” the maximum that would ever be paid. A perfect example is a floating rate Fannie Mae transaction.

➤ **Value:** Developer takes advantage of low tax-exempt rates (TBMA was 1.22% last week) and caps at a maximum rate for a period of time or the remainder of the bond issue. (A 7- year cap would cost approximately 479 bp at a 4% strike, 294 bp at a 5% strike and 183 bp at a 6% strike.)

➤ **Downside:** A cap evokes a “mark-to-market” feature for any changes needed over time, which could result in huge penalties. The biggest risk is an inability to do a “work-out” if trouble arises.



***PK Securities, Inc.***

# The concerns a Tax-Exempt Housing Authority should have with Derivatives

---

**Single-family** – Derivatives are a fine product idea as long as an Issuer is informed of both the benefits and the downsides.

- Used as “insurance”, they can be a great application.
- Used to “play the market”, they are not only dangerous, but could bankrupt an Issuer.

It is said that the derivative market is the most efficient market in the world.

It is also said that casinos are the most efficient businesses.....



***PK Securities, Inc.***

# The concerns a Tax-exempt Housing Authority should have with Derivatives

---

**Multi-family** – Derivatives are invariably done “off balance sheet”. Thus, even though linked to a bond issue, an Issuer may never know that a developer was entering into a derivative for the Issuer is not asked to credit enhance it nor sign it, unlike an Investment Agreement, whereby the Issuer must either sign it or acknowledge it.

➤ **Downside** – When underwriting a tax-exempt financing, an Issuer partially makes its decision to proceed based on certain financial facts about the developer and his balance sheet. If the balance sheet is then pledged for a swap - the situation changes, and the Issuer’s decision may well be different.

➤ **Suggestion:** When approving the underwriting, ensure there is a covenant that any derivative entered into by a developer that affects: 1) the project or his balance sheet; or 2) an inability to do a “workout”, must be fully disclosed to, and approved by, the Issuer.



***PK Securities, Inc.***

# Summary

---

**Investment Agreements and many types of Derivatives offer tailor-made features, flexibility, credit protection, ease of administration and on-going reporting and attractive returns.**

- **Together with the financial and legal professionals that advise an Issuer, Investment Agreements and Derivatives are the most efficient and practical products available to tax-exempt entities in today's market.**
- **As with any product, though, they must be understood completely and the benefits and risks analyzed.**
- **Remember....these are efficient markets but not all markets are efficient for you.**



***PK Securities, Inc.***

# Home Buyer Club Dates & Curriculum

## Fall 2002

Session	Curriculum
1	Pre-Qual & Orientation / Are you ready to own?
2	Credit / Budget & Savings
3	Predatory Lending / The Mortgage Process / Red Folder Review
4	Choosing a Realtor, Home Inspection, Closing Process

### Schedule

#### 1<sup>st</sup> Week

Club	Session 1	Session 2	Session 3	Session 4
<b>St. Agnes Monday</b>	9/09/02 6-8pm	1021/02 6-8pm	Quarterly-	Quarterly
<b>Liberty City Tuesday</b>	6-8pm	10/01/02 6-8pm	11/05/02 6-8pm	12/03/02 6-8pm
<b>County Downtown Wednesday</b>	9/04/02 11-1pm	10/02/02 11-1pm	11/06/02 11-1pm	12/04/02 11-1pm
<b>County North Thursday</b>	9/05/02 11-1pm	10/03/02 11-1pm	11/07/02 11-1pm	12/05/02 11-1pm

#### 2<sup>nd</sup> Week

Club	Session 1	Session 2	Session 3	Session 4
<b>County South Monday</b>	9/09/02 11-1pm	10/07/02 11-1pm	11/13/02 11-1pm	12/09/02 11-1pm
<b>CAA Tuesday</b>	9/10/02 6-8pm	10/08/02 6-8pm	11/12/02 6-8pm	12/10/02 6-8pm
<b>Scott Wednesday</b>	9/18/02 6:30- 8:30pm	10/09/02 6:30- 8:30pm	11/13/02 6:30- 8:30pm	12/11/02 6:30- 8:30pm
<b>OMEGA Thursday</b>	9/12/02 5:30- 7:30pm	10/10/02 5:30- 7:30pm	11/14/02 5:30- 7:30pm	12/12/02 5:30- 7:30pm
Accion	<b>SATURDAYS, TO BE ANNOUNCED</b>			
WOW	<b>REFERRAL COUNSELING SERVICE</b>			

*Protect Yourself & Your Family,  
Don't Become A Victim Of Predatory Lending!!!*



**Dr. Barbara Carey-Shuler,  
Miami-Dade County Commissioner  
&  
The Anti-Predatory Lending Workgroup**

**Are Hosting An Anti-Predatory Lending Public Hearing**

**Come & Hear Victims' Testimonies Of Their Experiences.**

**October 1, 2002  
9:30 a.m. - 1:00 p.m.  
Commission Chambers  
Stephen P. Clark Government Center  
111 NW First Street**

**Sen. Kendrick Meek & Rep. Dorothy Bendross-Mindingall  
will be in attendance to hear your concerns**

**For further information call Claudette Freeman at (305) 636-2331  
Various agencies will be on hand to assist you after the conclusion of  
the Public Hearing**

**THE LEADER MORTGAGE COMPANY**  
**2001 SF MRB Program - HFA of Miami-Dade County**

Loan Information Report 9/16/2002

**ORIGINATOR SUMMARY**

	Loans	Total Originated Amount
Bank Atlantic FSB	6	405,145
Banking Mortgage Corporation	36	1,878,493
Chase	19	2,177,961
Chase Manhattan Mortgage	86	7,473,529
CitiMortgage	24	1,204,339
Citibank Florida FSB	35	2,172,650
Countrywide Home Loans	22	1,849,967
HSBC Mortgage Corp	4	170,730
SunTrust Bank, Miami	33	1,959,998
UAMC	26	2,322,586
<b>Total</b>	<b>291</b>	<b>\$21,615,398</b>

**LOAN TYPE TOTALS**

	Loans	Total Originated Amount	% of Total
FHA	120	11,108,618	51.39
FNMA 97%	93	5,436,924	25.15
FNMA CHBP	10	591,857	2.74
FNMA CHBP 3/2	13	639,518	2.96
FNMA Conv.	46	3,161,454	14.63
FNMA HFA Home	5	259,264	1.20
VA	4	417,763	1.93
<b>Total</b>	<b>291</b>	<b>\$21,615,398</b>	<b>100.00</b>

**NEW/EXISTING TOTALS**

	Loans	Total Originated Amount	% of Total
Existing	274	20,403,352	94.39
New	17	1,212,046	5.61
<b>Total</b>	<b>291</b>	<b>\$21,615,398</b>	<b>100.00</b>

**TARGET/NON-TARGET TOTALS**

	Loans	Total Originated Amount	% of Total
Non-Target	276	20,795,653	96.21
Target	15	819,745	3.79
<b>Total</b>	<b>291</b>	<b>\$21,615,398</b>	<b>100.00</b>

**THE LEADER MORTGAGE COMPANY**  
**2001 SF MRB Program - HFA of Miami-Dade County**

Loan Information Report 9/16/2002

<b>HOUSING TYPE TOTALS</b>			
	<b>Loans</b>	<b>Total Originated Amount</b>	<b>% of Total</b>
1 Unit Detached	142	11,700,225	54.13
Condo	131	8,175,980	37.82
Duplex	3	282,765	1.31
Quad	1	175,612	0.81
Townhouse	14	1,280,816	5.93
<b>Total</b>	<b>291</b>	<b>\$21,615,398</b>	<b>100.00</b>

<b>TYPE OF FUNDS - TOTALS</b>			
	<b>Loans</b>	<b>Total Originated Amount</b>	<b>% of Total</b>
*Spot-General	258	20,229,555	93.59
DPA/GAP Financing	33	1,385,843	6.41
<b>Total</b>	<b>291</b>	<b>\$21,615,398</b>	<b>100.00</b>

<b>INTEREST RATE BREAKDOWN</b>				
	<b>Interest Rate Limit</b>	<b>Loans</b>	<b>Total Originated Amount</b>	<b>% of Total</b>
3.79000%		43	3,447,069	15.95
5.99000%	\$12,300,000	149	10,066,389	46.57
6.75000%	\$8,200,000	99	8,101,940	37.48
<b>Total</b>		<b>291</b>	<b>\$21,615,398</b>	<b>100.00</b>
<b>PROGRAM LIMITS:</b>				
<b>Interest</b>	<b>Maximum TOT \$\$\$</b>	<b>per Interest Rate</b>		
5.9900%	12,300,000.00	Low Rate		
6.7500%	8,200,000.00	3.25% Assistance for Downpayment & Closing Cost		
3.7900%	0.00	Deep Subsidy Rate, 4% Assistance		

<b>COUNTY TOTALS</b>			
	<b>Loans</b>	<b>Total Originated Amount</b>	<b>% of Total</b>
MIAMI-DADE	291	21,615,398	100.00
<b>Total</b>	<b>291</b>	<b>\$21,615,398</b>	<b>100.00</b>

**THE LEADER MORTGAGE COMPANY**  
**2001 SF MRB Program - HFA of Miami-Dade County**

Loan Information Report 9/16/2002

<b>PROGRAM PIPELINE</b>				
	<b>Loans</b>	<b>Total Originated Amount</b>	<b>% of Total</b>	<b>Pool / Trustee Amount</b>
Reservation	13	794,611	3.68	
UW Certification	22	1,352,609	6.26	
Exceptions	1	32,000	0.15	
Compliance Purchase Approved	16	1,534,525	7.10	
Purchased	11	750,325	3.47	
Pooled	1	78,380	0.36	<u>77,969.37</u>
Sold to Trustee	227	17,072,948	78.99	<u>17,001,458.87</u>
<b>Total</b>	<b>291</b>	<b>\$21,615,398</b>	<b>100.00</b>	

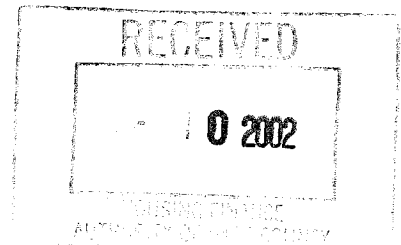
<b>ETHNICITY</b>			
	<b>Loans</b>	<b>Total Originated Amount</b>	<b>% of Total</b>
African American	78	5,402,208	24.99
American Indian/Alaskan Native	1	45,000	0.21
Hispanic	177	13,460,580	62.27
Non White, Non Hispanic	2	128,385	0.59
Other	11	670,609	3.10
White, Non Hispanic	22	1,908,616	8.83
<b>Total</b>	<b>291</b>	<b>\$21,615,398</b>	<b>100.00</b>

<b>BREAKDOWN BY CITY</b>			
	<b>Loans</b>	<b>Total Originated Amount</b>	<b>% of Total</b>
HIALEAH	16	1,183,327	5.47
HIALEAH GARDENS	7	450,855	2.09
HOMESTEAD	11	733,887	3.40
UNINCORPORATED MIAMI-DADE	237	17,794,913	82.33
MIAMI BEACH	5	373,300	1.73
MIAMI LAKES	2	151,650	0.70
NORTH MIAMI	10	663,509	3.07
NORTH MIAMI BEACH	2	174,757	0.81
OPA LOCKA	1	89,200	0.41
<b>Total</b>	<b>291</b>	<b>\$21,615,398</b>	<b>100.00</b>

<b>SUMMARY</b>			
		<b>Averages:</b>	
Original Allocation	\$26,409,290.00	Loan Amount	\$74,280
<b>Available Allocation</b>	<b>\$4,793,892</b>	Purchase Price	\$91,897
Total Originated Amount	\$21,615,398	Compliance Income	\$29,397
Total Originated Loans	291	Borrower Age	37.9
<b>Percentage Originated</b>	<b>81.85%</b>	Household Size	2.5
First Time Home Owner	100 %	Employed in Household	1.3



RIVERS LAW FIRM



September 5, 2002

Ms. Patricia Braynon  
Executive Director  
Miami-Dade County Housing Finance Authority  
25 West Flagler Street, Suite 950  
Miami, FL 33130

Dear Ms. Braynon:

I regret to inform you that I will be unable to continue to serve on the Miami-Dade County Housing Finance Authority. Please accept this letter as my official resignation from the Authority effective immediately.

Governor Bush has offered me the privilege to serve on the Miami-Dade Expressway Authority and, along with my other boards and duties, will take an extraordinary amount of time. Therefore, I cannot continue to serve productively on the Housing Finance Authority. It was a real pleasure working with you and the many fine folks at the Authority and will miss my fellow Authority members.

Please pass this message along to the other Authority members. As always, if there is anyway I can assist in the future, please do not hesitate to contact me directly.

Best wishes and continued success.

Sincerely,

Oscar Rivero

Cc: Commissioner Rebecca Sosa